Expedited Logistics Becoming Preferred Option for Noncritical Shipments



International

Introduction

When expedited shipping first appeared in the early 1980s, it was described as "the ambulance service of the trucking industry, rushing freight when and where needed as quickly as possible," and while the service still fills that role, it has undergone a dramatic transformation in recent years. No longer solely the purview of businesses in need of "emergency" or "extremely urgent" services, expedited service has become an option of first resort for many businesses, a preferred solution for "routine" supply chain needs, and an important way to meet customer delivery expectations.

What exactly is meant by expedited shipping? The definition itself has evolved. Today, expedited service refers to fast, uninterrupted delivery service with premium attention to customer service and shipment specifics. Or as one provider defined the service to the <u>Journal of Commerce</u>: "Expedited trucking today is about customized solutions for critical shipping needs. It's evolved from being just a time-specific service. People come to us for so much more than that. They're sophisticated about how they purchase transportation, and they're shopping."

But whereas the service was once considered the "Rolls-Royce" of logistics, with a price tag to match,

today's businesses are often surprised to find costs are quite manageable. Costs are still higher than standard service but in many cases at a much lower price point than might be expected, given the premium level of service.

Many industries—automotive, technology, pharmaceuticals, health care—rely on expedited services to meet just-in-time manufacturing needs, or to ensure on-time delivery of perishable or highly regulated materials. Expedited services can also be integral to a product launch, whereby "just released" inventory needs to be in place in retail locations across the country. New England Patriots fans were the beneficiaries of expedited shipping when, following their team's come-from-behind Super Bowl victory in February 2017, T-shirts commemorating the win were available within hours, after a Guilford, CT-based supplier worked through the night to print the shirts, which were then expedited to stores via a carefully crafted logistics strategy.

Expedited services are also priorities for manufacturers that have made significant investments in advanced techniques, including robotics, technology, and even artificial intelligence. These savvy manufacturers understand the

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importance of investing in a logistics strategy that can keep pace with their facilities' higher levels of output and supply chain sophistication.

For some, the peace of mind that comes from knowing a shipment will arrive on time is worth the extra cost. Others are able to justify the higher fees through lower inventory carrying costs—products that spend less time in the warehouse also spend less time on a business's ledger.

The retail industry has also come to recognize the benefits of expedited service, both as a way to guarantee inventory replenishment to stores and to meet consumer expectations for fast and flexible delivery options. This is especially true when inventory needs to cross an international border, with little time for border clearance delays often caused by missing documentation or incomplete paperwork.

And of course, expedited service continues to be the preferred option for "emergency" and "time critical" delivery needs. An article in Inbound Logistics highlighted a situation in which a 250,000-pound part for a nuclear reactor in Portland, OR, needed to be serviced at a facility located in Charlotte, NC. "It cost \$1 million each day the reactor was down waiting for the part," the

article stated, so it was easy for managers to justify the cost of chartering a plane to transport the part to North Carolina.

Whatever the reason for selecting expedited service, businesses give careful thought to choosing the right provider, with experience, capabilities, and innovation among the most important considerations. There is no learning curve within the world of expedited services—a provider either has the required capabilities or it doesn't, and there is no room for "on-the-job training." Therefore, it is necessary for a business to do its homework before entrusting its priority shipments to a logistics provider.

The following discussion will focus on the expanding role of expedited services in helping U.S. industries meet their supply chain objectives. Manufacturers and retailers can look with confidence to their expedited service provider and rest assured their shipments will benefit from the highest levels of care; that deliveries will occur on time, as promised; and that customers' high service expectations will be met.

What's New in Expedited Services

There is general agreement within the logistics and transportation community that Frederick S. Smith, the founder of Federal Express, was a true expedited air service visionary. According to that company's <u>historical timeline</u>, Mr. Smith laid out plans for an expedited air service in a 1965 undergraduate term paper. That idea eventually came to fruition in 1973, with the launch of Federal Express.

It wasn't long before the idea for "expedited trucking" took hold. During the early 1980s, <u>Bill Blodgett</u>, the owner of a local delivery service, came to understand that a truck dedicated to a single delivery could be as fast as air delivery. Blodgett also understood that customers would be willing to pay the higher cost of "chartering" a truck if a shipment's contents were valuable enough.

Blodgett's thinking proved prescient, as his small business was purchased by Roadway in 1994 and then by Federal Express in 1998.

For many years, expedited logistics remained largely a highpriced solution for urgent, last-minute needs. Traditional users of expedited services included auto parts manufacturers; pharmaceutical companies; shippers of perishables including flowers, fruits, and meats; and critical documents.

Gradually as technology took hold within the logistics industry, the nature of the expedited market began to change. For one thing, as technology allowed carriers to shorten their standard transit times, expedited carriers have seen increased competition to simply be "the fastest." This "need for speed" has largely been fueled by what is often referred to as "the Amazon effect," whereby the Internet retailer has normalized the expectation for two-day shipping and helped drive customer expectations for increasingly flexible delivery options.



Amazon.com has helped drive customer expectations for fast shipping through its Amazon Prime program, which offers two-day shipping to members who pay an annual fee.

"Everybody is retooling their networks, all the big carriers, to figure out how they can deliver faster, how they can get it there before the end of the day, before noon, before 10 in the morning," one logistics manager told the <u>Journal of Commerce</u>. "Every LTL and truckload carrier now has expedited or hotshot delivery. Obviously, if you're just relying on speed as your selling point, lots of people are trying to move into that space."



Transportation Concierges

With a surge in the number of competitors offering fast service, expeditors have sought to distinguish themselves. This has created a niche category of true expeditors who offer much more than fast service. Today's expeditors are transportation concierges, offering the fast, guaranteed delivery that has always been the benchmark of expedited service but also offering highly specialized services, including:

- Premium levels of dedicated customer service
- Customized transportation plans
- Shipment security
- Special handling (including temperature control, liftgate services)
- White glove services, including special care for highly fragile or perishable shipments, product installation capability, specialized equipment, and properly trained drivers
- Customs compliance and border clearance processing
- GPS-based tracking
- Personal courier
- Premium last-mile services, including regular updates from driver and the flexibility to reschedule or reroute a delivery until the last possible moment

Technology-Based Solutions

For expedited services, technology is vital in developing a comprehensive solution. A service provider cannot be sure its solution is the fastest or most efficient option available without a technology-based seal of approval. A report in Inbound_Logistics called technology a "must-have" for expedited shipments and noted that shippers simply will not use providers that do not have a high degree of technology driving their solutions.

Among the key benefits of a technology-based expedited solution:

- Real-Time Visibility/Asset Identification. A provider can know immediately the exact location of all transportation assets and assess the best option to meet a particular shipment's precise needs.
- Backup Plans. What if something goes wrong—an unexpected breakdown or weather event? Technology will ensure an alternative solution is immediately identifiable and accessible.
- In-Transit Visibility and Communication. GPS tracking of expedited shipments allows shippers to know precisely where important cargo is at any moment. In addition, drivers are immediately accessible via in-truck radio systems. This allows a dispatcher or monitor to contact a driver with any last-minute changes or for regular progress updates.



Fast, personalized service are hallmarks of an expedited logistics strategy.

- Route Optimization. A savvy provider will use satellite-based technology to highlight the most efficient route. This "smart" solution will "see" traffic backups, road construction, and other potential delays and recommend the most direct route.
- Security. Since many expedited shipments are high value or, as in the case of pharmaceuticals and electronics, highly attractive to criminals, in-transit security is a top priority.
 Smart providers are meeting this need through technologybased security protocols, including:
- GPS devices embedded in cargo
- Tracking devices embedded in trailers
- Anti-jamming devices, including RF beacons, which thwart efforts to jam a truck's GPS signal
- Cargo analysis software, which helps assess shipment risk for potential theft and determine necessary level of security
- Geofencing capabilities, which send fleet managers an alert if a truck goes off-route and also allows for remote engine "starter disable" if theft is suspected.
- <u>Sensors</u> can report on cargo location, door open/close status, and alert managers when trailers are moved from predesignated locations
- Membership in <u>theft-prevention</u> industry groups such as the Pharmaceutical Cargo Security Coalition and the Transported Asset Protection Association, which logistics providers are eligible to join if they meet certain criteria, including technology-based security initiatives

Innovation Adds Efficiency and Flexibility

Expedited service has also increased its "brand portfolio" in recent years, with several new delivery options falling under the expedited umbrella. These options include:

- "Flying Trucks" Ground Service. Certain carriers have been able to reduce ground transit time so significantly that it is possible to transport shipments faster via a ground solution than by air. This expedited level of service is more cost efficient and comes with premium levels of service.
- **Two-Driver Teams.** Ensure an expedited shipment stays in constant motion by relying on a two-driver team. This way, drivers take turns driving and resting, which means fewer stops and a shorter transit time. This can be especially helpful in light of new restrictions imposed by the <u>Federal Motor Carrier Safety Administration</u> on driver hours and requiring mandatory rest periods.
- Customized Solutions. Sometimes a shipment has such unique needs that a specialized solution must be built from the ground up. Retailers may encounter this situation, for example, when trying to coordinate a nationwide product launch. Or a pharmaceutical company may need a customized solution to oversee transport of a highly regulated, temperature-controlled substance. When the need arises for a one-of-a-kind solution, a good expeditor will be ready with a technology-based plan that ensures the highest levels of efficiency and effectiveness.



- Customs Facilitation. Customs delays can be a catastrophic obstruction for extremely time-sensitive shipments. Fortunately, an experienced expeditor can mitigate the likelihood of a delay by having all paperwork and fees pre-filed. Shipments can be routed to avoid notoriously inefficient border clearance points, either by traveling via a less hectic regional airport or through a well-staffed land crossing. Another option is to enlist the services of a local customs courier to physically walk a shipment through the customs process. The local courier will speak that country's language, have thorough knowledge about all customs paperwork and documentation requirements, and, in many instances, be acquainted with customs officials manning the clearance queue.
- Hybrid Solutions. Innovative providers can build a customized solution that incorporates different combinations of services. As described by East-West Manufacturing, "Imagine this scenario: The air freight quote has given you sticker shock, but you know that ocean freight will take too long. It's possible that a forwarder can find the best route, combining ocean and air freight with a dedicated truck to deliver your order as quickly and cost-effectively as possible."
- Intermodal Service. Several U.S. railroads have introduced expedited services in recent years, which allow a rail/truck intermodal solution to be a viable option in certain cases.
 According to Inbound Logistics, expedited rail can eliminate as much as an entire day from a transit route and can be

ideal for large shipments (a single rail car can hold the equivalent of 3.5 truckloads) in need of priority service.

Any shipper considering expedited services must be aware of the vast capabilities' differences among providers. Not every provider can offer immediate access to a truck or plane required to expedite a shipment, and definitions can vary with regard to what is meant by "critical," "urgent," and "priority." The above discussion offers a good overview of innovations taking place within the expedited category and can guide shippers as they consider different providers.



Who is Using Expedited Services?

A growing number of industries are realizing that expedited services are a good fit for their "normal" supply chains. In many instances, businesses find that the benefits of expedited shipping—lower inventories, special handling, security, personalized attention, and dedicated customer service—can justify the higher costs. Among the industries making regular use of expedited logistics:

Automotive Suppliers

The Toyota Motor Corp. pioneered the use of expedited logistics within the auto industry during the 1970s with the introduction of "just-in-time" inventory management. And with an estimated 80,000 unique OEM part numbers introduced each year and an aftermarket inventory of more than four million parts, it's no wonder the industry continues to rely on guaranteed, premium service. Another factor to consider is the growing number of technology-based parts used in today's cars. According to MarketWatch, "microprocessors, sensors, cameras, radar and other technologies are being added at exponential levels." At a time when manufacturers—and repair centers—keep bare bones inventories, often with no more than a few hours of inventory on hand at any given time, expedited, precision service is an integral part of the supply chain. Parts suppliers are increasingly budgeting for higher cost expedited services, operating under the assumption that costs will be borne out by (1) minimizing the risk of a part shortage and (2) lower inventory carrying costs.



Auto suppliers rely on expedited logistics solutions to meet the rigorous demands of manufacturers' just-in-time delivery requirements.

The rise of omnichannel has also affected the sale of auto parts, with a growing number of consumers purchasing parts online. This has caused parts manufacturers and suppliers to adjust their supply chains to ensure seamless integration of online and physical store processes. According to reporting by Inbound Logistics, the rise of online sales has forced parts makers to adjust current practices to meet online customers' service and delivery expectations. "Aftermarket manufacturers must be willing to ship their products the same day or within a few hours, as the omnichannel experience has resulted in 'always on, always available' expectations," the report noted.

Aerospace

A 2017 report by **Deloitte** predicts strong revenue and earnings growth for the global aerospace sector, driven in large part by the "strong demand for next-generation aircraft and growing passenger traffic, especially in the Asia-Pacific and Middle East regions." The report notes the industry's global supply chain faces challenges to meet increasing requirements for capacity, throughput, quality, on-time delivery and pricing. These challenges may result in a transformation within the aerospace supply chain—marked by consolidation of parts suppliers and increased pressure on OEMs to increase productivity and control costs. Specifically, Deloitte predicts the trend to "consolidate by part family" (i.e., components, aerostructures, electronics, interiors, etc.) will likely continue in order to gain economies of scale. OEMs will likely react to manufacturers' requests for more competitive pricing by asking their suppliers for price concessions, which in turn will lead to leaner inventories and the need for precision-like part replenishment.



Research by Deloitte predicts strong revenue and earnings growth for aerospace manufacturers during 2017 and increased pressure on suppliers for precision-like parts deliveries.

As aerospace manufacturers adjust to this "new normal," a trusted and experienced logistics provider will be essential to ensure critically needed parts arrive on schedule. Failure for a single part to arrive could shut down an entire assembly line. And the part in question could be coming from anywhere in the world, due to the highly exacting and precise nature of the industry. A reliable provider can put the gears in motion, pretty much at the snap of a finger, to move the necessary part and ensure its on-time arrival.

Pharmaceutical Industry

Few shipments require the care and attention—or regulatory compliance—inherent to pharmaceuticals. So it's no surprise that expedited service is the preferred logistics option for that industry. But unlike many industries that rely on expedited service, speed is not the overriding goal for pharmaceutical companies—security, product integrity, and regulatory compliance are top priorities. According to the <u>Journal of Commerce (JOC)</u>, recent years have seen a significant increase in regulatory oversight of the pharmaceutical industry by the U.S. Food and Drug Administration (FDA). In fact, the FDA considers "transportation" to be part of the manufacturing process, with manufacturers liable for compliance steps taken by their transportation providers.

Pharmaceutical businesses also gravitate toward expedited service because of its high degree of customer service and ability to secure the supply chain. One experienced expeditor told <u>JOC</u> that security is his pharmaceutical customers' top concern. "A lot of customers will require team drivers on a load that will only go 250 to 300 miles," he said. "That's not about hours of service or expediting a shipment, it's about redundancy and mitigating risk by layering on security."

Temperature control is another vital concern. So much so that the temperature-controlled sector of the expedited market has increased markedly in recent years. The annual Biopharma Cold Chain Sourcebook, as reported by Pharmaceutical

Commerce, notes products that require refrigerated storage and transport are worth roughly \$260 billion and that managing the transportation of these products cost \$12.6 billion during 2016. Cold-chain costs include shipping and storage, along with customized packaging, including insulated and refrigerated containers. Logistics costs are expected to jump to \$16.7 billion by 2020, as the industry continues its trend of biologically based new product introductions while meeting increased regulatory requirements for transporting those shipments.

Another challenge for pharmaceutical businesses is the extremely restrictive environment in which they operate due to regulatory compliance mandates. Cost-saving options available to other industries are often off limits. Of particular concern, for example, is finding better last-mile delivery solutions for temperature-controlled products and ensuring that a logistics provider has adequate monitoring and tracking devices to detect any mid-shipment changes in temperature, light, vibration, or humidity.



Expedited service is an ideal solution for the pharmaceutical industry, since shipments are highly regulated, susceptible to theft, and often in need of specialized services, including temperature-controlled trucks.

Retailers

Certain retail categories—fashion, consumer products, electronics—are critically dependent on speed to market to ensure on-time introduction of new products, guard against stock outs, and minimize risk of damage or theft. "Keeping shelf incumbency is very competitive for consumer product goods (CPG) companies," one Ohio-based expeditor said in an Inbound Logistics article. "There's a lot of competition for space on store shelves, so CPG companies are seeing a need to expedite." In addition, as Inbound Logistics points out, with retailers generally operating within tight delivery windows, "the additional cost of an expedited service with a guaranteed delivery time can easily offset the cost of chargebacks for missing a delivery promise."

Fast fashion retailers such as Zara, 21 Forever, and H&M also rely on the fast deliveries and high levels of service commensurate with expedited service. Supply chains for these companies usually involve an expedited air cargo solution to move new fashion pieces from Asian manufacturing centers to U.S. retailers. This approach allows brands to renew their collections almost weekly, reports Just-Style industry newsletter. Plus, retailers rely on service providers for extras, including placing items on hangars, labelling, and bagging.

Shelf life is an important consideration for consumer electronics retailers, many of which face a "perfect storm" of sorts—a combination of products that become quickly obsolete and a long Asia-based supply chain. Inbound Logistics discussed the dilemma faced by mobile phone manufacturers, an industry in which a model is generally kept on the shelf for six months before being replaced by a newer model. "If a company transports handsets from the manufacturing site via ocean carrier, those products could spend 10 to 20 percent of their product lifecycle in transit," the article noted. In an industry in which innovation is king, moving products onto store shelves and into customers' hands as quickly as possible is critical.

Also critical is the need to go the extra mile to protect against damage and theft. Cargo security firm CargoNet reports electronics shipments valued at more than \$42 million were stolen during 2014, at a median per-shipment value of \$549,000. In addition to technology-based security investments, shippers are drawn to the faster transit times, reduced touches, and extra personnel generally associated with expedited service which, as Inbound Logistics notes, "inherently enhance security."



Zara is an example of a "fast fashion" retailer that relies on rapid turnover of inventory.

eCommerce

According to the <u>U.S. Census Bureau</u>, eCommerce sales accounted for 8.1 percent of total retail sales during 2016, which was up from 7.3 percent during 2015. According to <u>Internet Retailer</u>, Amazon.com accounted for 65.9 percent of that growth.

There are many reasons for Amazon's supremacy in the online market: broad product selection, price competitiveness, easy-to-use website, customer service, and favorable returns policy all usually make the list of most preferred attributes. But what generally tops the list are Amazon's highly flexible delivery options, marked by the two-day "free" shipping service available to Amazon Prime members.

With as many as <u>65 million</u> Americans reportedly signed up as Amazon Prime members, it's not surprising that consumer attitudes have changed with regard to what is meant by "fast shipping." According to Deloitte's <u>2016 Holiday Survey</u>, "consumers have redefined fast shipping to be two-day delivery." During 2015, 63 percent of consumers considered "within 3-4 days" as "fast shipping," but by 2016, that figured had dropped to just 42 percent. Deloitte's researchers cited Amazon Prime as a key factor in this change in attitude, as customers have grown to expect options and service inherent to Amazon's model.

But meeting these expectations has been a <u>challenge</u> for many online retailers who suddenly find themselves tasked

with reconfiguring warehouse and inventory strategies and developing logistics solutions to ensure fast, on-time delivery. Many have opted to open more warehouse facilities located near urban areas that are close to end consumers. This generally means an investment in inventory, which can dramatically drive up costs.

Others rely on expedited levels of service that prioritize fast delivery and exceptional last-mile service. In fact, certain logistics providers have developed solutions specifically for eCommerce shipments that offer guaranteed 2- to 3-day delivery but at a lower price point than what is normally associated with expedited service. These logistics providers are able to leverage their courier and parcel services to ensure seamless small package delivery to consumers' residences and business addresses.

And as "customer experience" evolves into the key battleground for attracting and retaining customers, expedited service allows a business to distinguish itself from competitors. According to analysis from Forrester Research, as competition continues to heat up for online customers, businesses will have no choice but to invest in better service options as a way to secure customer loyalty.

This tends to be a wise investment since, as <u>Gartner Group</u> research points out, it costs up to 10 times more to lure and win over a new customer than it does to retain an existing one. And a 5 percent increase in customer retention rates can increase profits by 25 percent to 125 percent.



Consumer attitudes about "fast" shipping have shifted, with an overwhelming majority now expecting delivery within two days.

Trust and Reliability are Key to Choosing the Right Expedited Provider

When it comes to selecting an expedited logistics provider, trust and reliability must be at the top of any list. Trust and reliability are integral to the whole expedited shipping experience. A business entrusts its most valuable or urgent shipments to its expeditor and must be able to do so with full confidence that all supply chain promises will be kept. There is no tolerance for on-the-job training and no room for mistakes. An expedited supply chain must be near perfect the first time and every time.

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Clearly, a business needs to do its homework before entering into any agreement with a new service provider. Spend the time to find out exactly how capable a carrier is based on feedback from current customers, site visits to inspect and verify assets, conversations with employees, and reviews of trade publications and websites.

A few things to keep in mind when considering expedited carriers:

- Customization and Collaboration. It's essential to view your expedited logistics provider as a partner. You want to build a relationship so there is mutual understanding of your business objectives, priorities, and needs. This information sharing can only happen through many direct conversations and ongoing open lines of communication. A good logistics provider will use this information to create a customized solution to meet your specific needs.
- Personalization. As you build your relationship with your expedited provider, it's important that the same individuals service your account the whole way through. The same individuals who prepare your original logistics solution should be the same individuals who oversee the pickup, transit, and final-mile delivery of your shipments.
- Customer Service. You are paying for premium service, so it is not unreasonable to expect premium service! This should include a dedicated customer service representative with whom you have a personal relationship and direct

contact information. Your customer service representative should be fully aware of your shipment needs, provide you with regular updates, and know about—and resolve—any snafus or changes before they become problematic.

- Scope of Service. A quick Internet search of "expedited logistics providers" will likely result in dozens of firms that claim to offer accelerated or express service. But buyer beware! There are many different categories of expedited service, so it's important to ensure your carrier has exactly what you need. Among the array of services currently offered:
- Air Service
- Next Flight Out
- Charter
- Time-Definite Service
- On-Board Courier
- Temperature Controlled Services
- Ground Service
- Exclusive-Use Vehicles (deliveries made via cargo vans)
- Time-Definite First Delivery
- Temperature Controlled Vehicles
- Depth of Assets. Integral to expedited service is having
 the capacity to move a shipment, at a moment's notice,
 to anyplace in the world. Few providers have the deep
 network of assets necessary to accomplish this. A bona fide
 expedited service provider will be able to explain precisely
 how its network is configured and how it will respond to your
 request for service.

- Experience. When it comes to managing expedited logistics, there is no substitute for experience. An experienced provider will have an integral understanding of what it takes to guarantee a seamless and hassle-free delivery. Unless a provider has been through the process, and knows firsthand what to expect, any claims of "guaranteed service" should be met with skepticism.
- Border Clearance/Customs Experience. If your shipment requires an international border crossing, your logistics provider must have the necessary customs expertise. Many, many shipments have been waylaid at the border because of missing customs documentation, improperly completed paperwork, or failure to pay proper duties/fees.
- **Technology.** Expeditors can provide high levels of visibility and shipment tracking, ensure constant communication between drivers/pilots, and have unprecedented access to route optimization and capacity availability.

Many expedited logistics providers have their own customized technology solutions that allow a bird's eye view into operations. Often these internal systems will integrate directly with a shipper's own network, making it possible to generate reports, billing information, and shipping materials. One logistics manager explains that this customization allows for continual tracking of "every load in our system from origin to destination and if a driver begins to run behind schedule, we see a warning on the screens in our ops center." He went on to explain: "You have to have a Plan B when you're moving



expedited goods. You can't rely on delivering a shipment in a lane where you can't recover the load if there is mechanical failure or driver illness." Technology helps ensure that assets are aligned properly and that should something go awry, a backup solution is nearby.

- Value-Added Services: Many shippers rely on the premium levels of service integral to expedited service to ensure the safety and security of their shipments, and to provide high levels of service to their customers. Proof of delivery, tracking and tracing, and time-guaranteed delivery have become industry standards. Following are a few additional value-added services that some—but not all—logistics providers may offer:
- Security—Depending on a shipment's contents, this
 may be the most important factor of all. Added security
 is integral to the expedited process because of (a) fewer
 touches; (b) accelerated supply chains; and (c) extra
 personnel to monitor shipments.
- Customs Clearance—Shipments that cross an international border require compliance with all applicable customs, security, and revenue mandates.
 Customs agents are very unforgiving when it comes to filing proper documentation. It is essential, if your shipment requires a border crossing, to have a qualified customs broker or logistics partner who can ensure complete compliance and a hassle-free customs clearance process.

- White Glove—Shipments that require special care—usually items that are highly valuable, fragile, or perishable or items that require assembly or installation—often require super-premium white-glove treatment. White glove is a very specialized service within the expedited industry. White-glove freight requires drivers to have special training and to travel with specialized equipment, including furniture pads, pallet jacks, specialized tools, hand trucks, dollies, liftgates, and temperature-controlled units. Special security mechanisms usually are in place for white-glove shipments, and drivers need to be properly trained to perform any necessary assemblage or installation.
- Last-Mile Service—Special attention is given to ensuring a customer-centric delivery. Customers will be notified when a delivery is imminent and again after the delivery has been made. Customers will have the option to reroute or reschedule the delivery, and great care will be taken to ensure a shipment arrives in mint condition, at the right location, and at the right time.



Conclusion

When the Hanjin shipping line declared bankruptcy in September 2016, shippers around the world went into crisis mode as giant container ships became stranded at sea and tons of cargo were left stranded on Asian docks. The timing of the bankruptcy came at an especially perilous time for U.S. retailers, since much of the U.S.-bound cargo was critically timed to meet fall fashion windows and to fill retailers' shelves during the rapidly approaching holiday season.

The situation became so precarious that the National Retail Federation got involved, urging the U.S. government to help find a solution. Many retailers took matters into their own hands and enlisted logistics providers to implement expedited service solutions. Logistics companies arrived like the cavalry, rescuing stranded shipments and delivering them to their intended U.S. destinations.

This level of "emergency" service has long defined expedited service. But in recent years, it has become so much more. Today, thanks to tremendous innovation within the logistics industry and the impact of technology, expedited solutions are increasingly used for non-emergency supply chain solutions. For some industries—automotive, pharmaceutical, retail, electronics—the high-quality service and guaranteed delivery inherent to expedited services offer peace of mind that rigorous delivery deadlines will be met and shipments will arrive undamaged.

Those same attributes also appeal to today's eCommerce businesses who must find a way to meet consumers' changing expectations for faster and more flexible deliveries. As Deloitte reported, consumers' have changed their opinions about what constitutes "fast shipping," with most expecting to have their package in hand within two days.

It's clear that both manufacturers and retailers will continue to feel the squeeze for faster and more efficient deliveries. An expedited logistics solution is often the best strategy, but a business must be sure to enlist an experienced provider with the required capabilities.

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