



TRANSPORTATION IN TODAY'S SUPPLY CHAIN



KEYS TO EFFECTIVE SHIPPING

In connection with the recovering economy, the amount of freight in the United States is expected to increase in the year 2016. With transportation costs and specific delivery needs rising how will you keep your supply chain running efficiently?

Truckload transportation still rules the road, but things are evolving! Less than Truckload (LTL) and small parcel shipments are leveraging technology to become more efficient and effective for shipments to retailers and direct to consumer shipments. Intermodal shipping is proving to be a beneficial resource as well, by reducing costs and adding green benefits.

Springtime generally increases the amount of freight moved out of the Southern States and California while the Midwest tends to slow down.

A well documented driver shortage could lead to increased delays, rate increases and changes in the transportation landscape. Learning best practices and leveraging relationships should be a top priority for your supply chain, to move your business forward.





BROKERAGE TRANSPORTATION

Industry Experts

Can Cover Any Area

- Territory ranges
- Better rates in certain areas

Wide Variety

- Types of Trailers
- Number of Carriers
- Specialized Options
- Multimodal Brokerage

Strict Guidelines

- Carrier Standards
- Experienced brokers keep quality carriers available

A brokerage gives supply chains flexibility and reliability.

For Example:

With over 50,000 carriers and a wide variety of trailer types available, having a brokerage ready to move freight is an advantage for any shipper.

CUSTOMERS ENJOY WORKING WITH BROKERAGE CARRIERS FOR A VARIETY OF REASONS:

- Vast understanding of the transportation industry
- Flexibility
- Large territories
 - Global and national supply-chains





ASSET-BASED TRANSPORTATION

Own and operate and maintain equipment

Direct contact with their customers

Specialize in certain areas

- Specific trailers
- Specific regions/states

Can package other with asset-based offerings

- Warehousing
- Distribution
- Value-added services

Asset-based Transportation is moving product in equipment owned directly by the 3PL.

For Example:

Murphy's fleet of 27 trucks and over 100 trailers is asset-based - Murphy owns the trucks and employs drivers and employees that operate them.

CUSTOMERS ENJOY WORKING WITH ASSET-BASED CARRIERS FOR A VARIETY OF REASONS:

- Trust in their partner through long relationships
- Packaged offerings with warehousing & distribution
- “Cut out the middle man”
 - Work directly with carrier





ASSET BASED VS. BROKERAGE

ASSET BASED

Direct contact with the carrier

Usually specialized in one area

- One type of trailer
- Specific travel lanes

More local and regional delivery

Can package deals with warehousing and distribution

BROKERAGE

Middle Man Contact

- Reaches out to carriers

More Flexible

- Trailer types
- Carrier availability
- Area and Regions

Competitive pricing

- Leverages relationships

Rigid standards for their carriers

- Point based scores for safety, reliability, etc.

WHAT'S RIGHT FOR YOUR SUPPLY CHAIN?

Having an equal balance and quality relationships with both types of carriers is a best practice for most shippers!

RAIL TRANSPORTATION

Large Shipping Areas

- 140,000 Miles of track in US
- Seven Class 1 lines
- Many short line carriers

Efficient way to move freight inland

Large shipping volumes

Move all types of freight

- Oversized, not Over The Road

Sustainable

- On average, trains are four times more efficient than trucks.
- New techniques are making them even more fuel efficient.

Rail shipping is an efficient and effective way to move freight long distances!

New tools, techniques and standards have made rail damages and product issues a thing of the past.

Double tracks have been installed across the country to help with transit times.

Murphy's facilities handle up to 10,000 rail cars per year, unloading 300,000 to 900,000 Lbs. of freight. That's equal to 40,000 trucks off the road each year!





INTERMODAL TRANSPORTATION

More than one vehicle

Changes via switches and cross-docks

Extremely efficient & effective source of transportation

Move product from hubs into DCs and warehouses

Floor loaded containers move a lot of product efficiently, sort and/or palletize in the DC.

Longer Shipping Times

- Intermodal shipping allows the shipper to move their freight in an intermodal container using more than one mode of transportation.
Ship → Train → Truck
- There are both Domestic and International types of intermodal transportation.
- Switches must be made to get the product to its final destination. This means that there are longer shipping times.
- Intermodal shipping can be more cost-effective and better for the environment than moving freight on long haul trucks over the road.
- Brokers can coordinate shipping from the port all the way into the warehouse or DC.



LTL AND PARCEL SHIPPING

Becoming more efficient

- Leveraging Technology

Growing number of shipments

- Consumers purchasing online, stores keeping less inventory, changes in demand.

Cost Efficient

- Cheaper options when moving up to 12 feet of trailer space.

Rates are changing and increasing

E-Commerce purchasing is driving the growth of these transportation options.

Moving freight in smaller quantities is the fastest growing mode of transportation in today's supply chain.

Batching, consolidating and new programs and analytics are making shipping more efficient and effective.

Two of the largest LTL Carriers in the US (FedEx and Conway) have both reportedly have raised rates by up to five percent over the past year.





OTHER TRANSPORTATION OPTIONS

Efficiency is the driving force behind new transportation methods

There are endless ways to move freight throughout the world

Brokers help find the most efficient method

Partnering with a brokerage helps leverage many different options

Ocean Freight & Air Freight

- Generally used to move large amounts of cargo to a hub or area before it is sent to a warehouse or DC.

Barge Transportation

- Used to move bulk product over a river or inland water source. Extremely efficient, but limited to water, and can be delayed by ice.

Last Mile Transportation

- Term used to describe the transportation of a product on the last leg of distribution, right to the customer's doorstep.



TRANSPORTATION FLOW



FINAL THOUGHTS

From importing, to moving product into a warehouse to finally delivering finished goods to the customer, transportation is a huge and extremely important piece of the supply chain. Having an team filled with experts manage and coordinate shipping can be an asset for any company.

With so many options available, finding the right combination of brokers, asset-based teams, and other options to move inventory can be a large task for any team. After having over 110 years of experience in the logistics industry, Murphy employees know a thing or two about the supply chain and how to efficiently handle inventory.

Our teams are here to help, if you have any questions about how you can efficiently and effectively transport, store and distribute your inventory throughout the nation, contact us with the information below!

Have a wonderful day!

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