The Changing Logistics Ecosystem

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Chief Executive Officer
TeamOne Logistics Overview

TeamOne Logistics designs and manages workforce solutions to minimize the risk, cost, and complexity of your logistics enabled business.

TeamOne Logistics has two primary solution models:

1) **Integrated Workforce Solutions**: We take on all employment related risks through a unique long-term “employer of record” model designed for your specific needs.

2) **Temp-to Hire**: We recruit and on-board safe, qualified individuals to fill fulltime positions.

- **Founded in 2003 by logistics executives** and is headquartered in Alpharetta, Georgia (metro-Atlanta)
- Expert recruiters and trainers located throughout the US, with a combined **300 years of logistics industry experience**.
- **Current clients range** from operators of private truck fleets to 3PL’s, carriers, distributors, manufacturers, and transportation companies.
- Proud to **never have lost a client** in over a decade.

National presence with **850 employees** currently operating with **clients in 87 locations across 29 states**.

States with current TeamOne Logistics operations (though we can handle all 50 states)
Every Supply Chain is unique
Bottom Line
How are you going to double your business this year?
Supply Chain Priorities:

1) Faster
Supply Chain Priorities:

1) Faster
1) Better
Supply Chain Priorities:

1) Faster
1) Better
1) Cheaper
Supply Chain Priorities:

1) Reliable
2) Faster
2) Better
2) Cheaper
CHANGE AHEAD
PLEASE TELL ME YOU'RE EXPECTING A PACKAGE FROM AMAZON...
At the end of 2013 there were more mobile devices on planet earth than HUMANS!
Mobile Payments Will Reach $142 Billion in USA by 2019

Source: Forrester Research Mobile Payments Forecast 2014 – 2019 (USA)
Innovation in Payment Processing Technology?
$150 Billion in Transactions in 2013
Their NikeID co-creation platform generates over $100M/year.
10% of TOTAL sales revenue for any company goes to “Logistics”
Innovation in Material Handling and Last Mile Delivery?
Amazon

KIVA Systems®

$775 MILLION

The Washington Post

$250 MILLION
Innovation in Autonomous Vehicle Research?
Annual Sales by 2035 = 95 Million

\[ \frac{3}{4} \text{ of All Cars Sold in 2035 Will Have Autonomous Capability} \]
$1 Billion, 60-year lease of NASA hangar

50 total acquisitions since 2013, 172 since 2001!

Robotics Acquisitions:
- Boston Dynamics
- Industrial Perception
- DeepMind Technologies
- Titan Aerospace

ATLAS ROBOT
$3.4 Billion in 2014
Grow 500% by 2018
• 10 Homes
• 24 Hours
• $5,000 Each

... SOON
The US population is currently over 325 Million People
70% of consumers live east of Dallas and Chicago
...by the year 2050

+ 100 Million People in USA

X 40 Tons/Person

4 BILLION TONS IN USA

More
$7 Billion in added costs because of shallow harbors in 2010, $14 Billion by 2040

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$20 Billion spent annually by private freight railroads

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$27 Billion in cost to U.S. businesses due to deficient highways in 2010, $1.3 Trillion by 2040

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$4 Trillion projected loss to U.S. GDP by 2040 due to lack of investment in infrastructure
By 2020, Millennials will make up 40% of the U.S. workforce.
This past May, Millennials became the largest workforce age-group... EVER.
The Most Common* Job In Each State 1978-2014

2014 (29)
Drivers Are The Third Toughest Occupation To Fill

Current Truckload Turnover

Small TL Fleets (<$30M) = 94%

Larger TL Fleets ($>30M) = 104%

American Trucking Association Skills Gap Index
270,000 JOB OPENINGS PER YEAR

1 MILLION JOB OPENINGS BY 2018
9,500 JOB OPENINGS PER YEAR IN GEORGIA

PROJECTED ANNUAL GEORGIA JOB OPENINGS

- Warehouse & Distribution Labor: 4,555
- Trucking: 3,850
- Freight Rail: 260
- Logistics Operations & Management: 340
- Air Cargo Supervisors: 20
- Industrial Engineering: 460
LOGISTICS EDUCATION COMPLETIONS BY STATE AND REGION

Supply = 75,277 in USA
Supply = 4,669 in Georgia

- FLORIDA: 6,461
- GEORGIA: 4,669
- ALABAMA: 2,350
- NORTH CAROLINA: 1,425
- TENNESSEE: 1,085
- SOUTH CAROLINA: 403
- Rest of the USA: 60,827
- Rest of Southeast: 9,781

[Pie charts showing state-wise logistics education completions]
Driver Shortage

- ATA estimates ~100,000 new drivers needed per year for next ten years
  - 36% as a result of industry growth
  - 37% as a result of retirements
  - Remaining 27% due to drivers leaving the industry (voluntary/non-voluntary)
Truck Driver Age Breakdown

56% of drivers over 45 in 2013
49% on U.S. workforce over 45

SOURCE: ATRI
Truck Driver Age Shift

SOURCE: ATRI
Top Issues Drivers vs. Carriers

**Commercial Drivers**
1. Hours-of-Service
2. Truck Parking
3. ELD Mandate
4. CSA
5. Driver Retention
6. Driver Health/Wellness
7. Fuel Supply/Fuel Prices
8. Driver Distraction
9. Driver Shortage
10. Transportation Infrastructure /Congestion/Funding

**Motor Carrier Execs**
1. Driver Shortage
2. Hours-of-Service
3. CSA
4. Driver Retention
5. ELD Mandate
6. Transportation Infrastructure /Congestion/Funding
7. Economy
8. Driver Health/Wellness
9. Tort Reform
10. Driver Distraction

*Source: ATRI*
What To Do?

• Attract & Maintain Current Employees?
  - Benefits, Pay, Support, Training, 1099 vs. W2?, etc.

• Research best ways to engage 25-34 year olds (and younger)

• Find ways to encourage vocational training focused on trucking (MLET, FAST TRACK)

• Bridge gap between high school and trucking career start - Graduated CDL Concept?

• INTRA and INTER-State driving regulations - Legislation
Good Luck!
Thank you!

Questions?