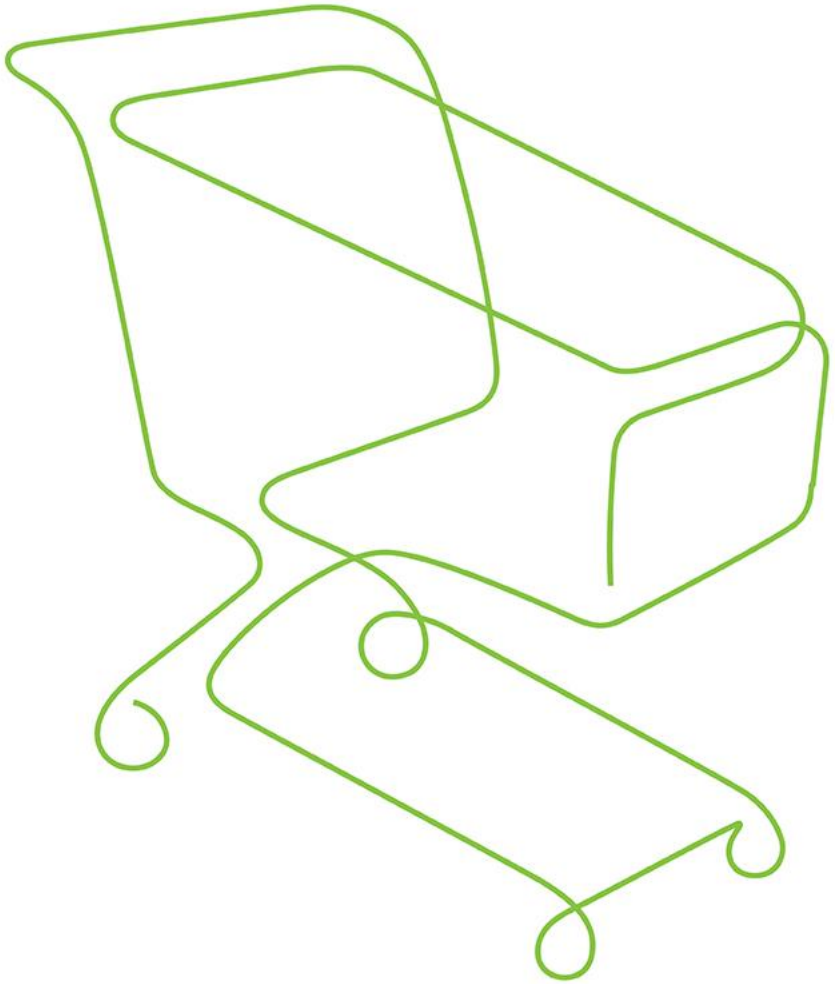
FMI THE FOOD INDUSTRY ASSOCIATION

# COLLABORATING ON ASSETS IN A POST-COVID SUPPLY CHAIN:

## BACKHAUL AND LANE SHARING PROGRAMS WITH TRIPLE-WIN POTENTIAL



# Antitrust Reminder

It is FMI policy to comply in all respects with the antitrust laws. All participants in FMI meetings and events are expected to comply with applicable antitrust and competition laws.

Avoid discussions of sensitive topics that can create antitrust concerns.

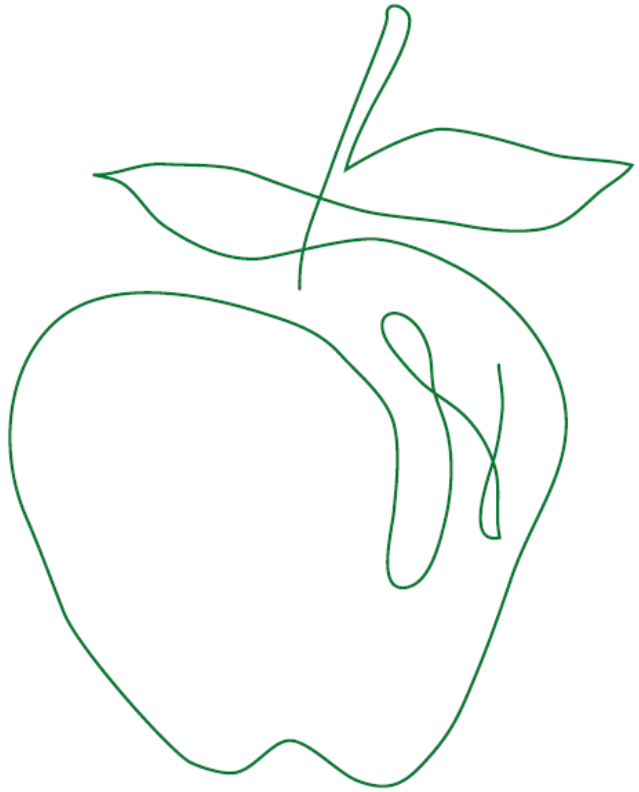
- ✓ Agreements to fix prices, allocate markets, engage in product boycotts and to refuse to deal with third parties are illegal.
- ✓ Discussions of prices (including elements of prices such as allowances and credit terms), quality ratings of suppliers, and discussions that may cause a competitor to cease purchasing from a particular supplier, or selling to a particular customer, should be avoided.
- ✓ No discussion that might be interpreted as a dividing up of territories.

It is important to avoid even the appearance of unlawful activity.

Please share questions or concerns with FMI staff via the Q&A function.

As the **food industry association**, FMI works with and on behalf of the entire industry to advance a **safer**, **healthier** and **more efficient** consumer food supply.

FMI brings together a wide range of members across the value chain — from **retailers** who sell to **consumers**, to **producers** who supply the food, as well as the wide-variety of companies providing critical services — to **amplify** the collective work of the industry.



Consumer Brands Association champions **growth and innovation** for the industry whose products consumers depend on every day.

The **$2 trillion** consumer packaged goods industry supports **20 million American jobs** and is home to some of the **most iconic brands** in the world. It is our privilege to positively impact the lives of every American, every day.

Powering every day.

# Trading Partner Alliance
# Supply Chain Executive Council

Formed by FMI and the Consumer Brands Association, the TPA exists to develop a shared retailer-manufacturer agenda on supply chain efficiency issues, the application of information technology, the adoption of environmentally-friendly business practices and other issues of importance to consumers.

# Today's Speakers

**Christopher Smith**
Executive Director, Corporate Distribution

**Jason Wicklund**
Logistics Manager

**Rob Haddock**
Group Director Planning & Logistics

**Gary Kinneer,**
Director, Managed Transportation

**Glenn Koepke**
VP, Network Enablement

# Addressing the Trucking Capacity Problem Affecting the Industry

**Issue**

Trucking capacity shortage in the US is negatively impacting the consumer (e.g., lower on-shelf-availability driven by poor on-time performance and higher prices driven by freight cost inflation). In consequence, it is affecting the ability of manufacturers and retailers to achieve profitable growth

**Problem statement**

We aim to alleviate the trucking capacity problem through cross-industry collaboration by sharing and integrating transportation data, assets, and processes

**3 Key Levers**

Increase capacity and reduce waste

- Increase asset utilization (Backhaul collaboration)
- Increase Driver Utilization (Dwell time)
- Manage demand Volatility (Dynamic product flow management)

# Backhaul / Lane Sharing Collaboration Pilot Goals

- Increase consistent capacity in a volatile market
- Leverage underused assets and capture 20-40% of empty miles
- Drive service level increases and cost reductions

# Backhaul / Lane Sharing Pilot

Trading Partner Alliance

Five initial members in a collaborative effort to use private and dedicated transportation assets to create additional capacity and reduce empty miles.

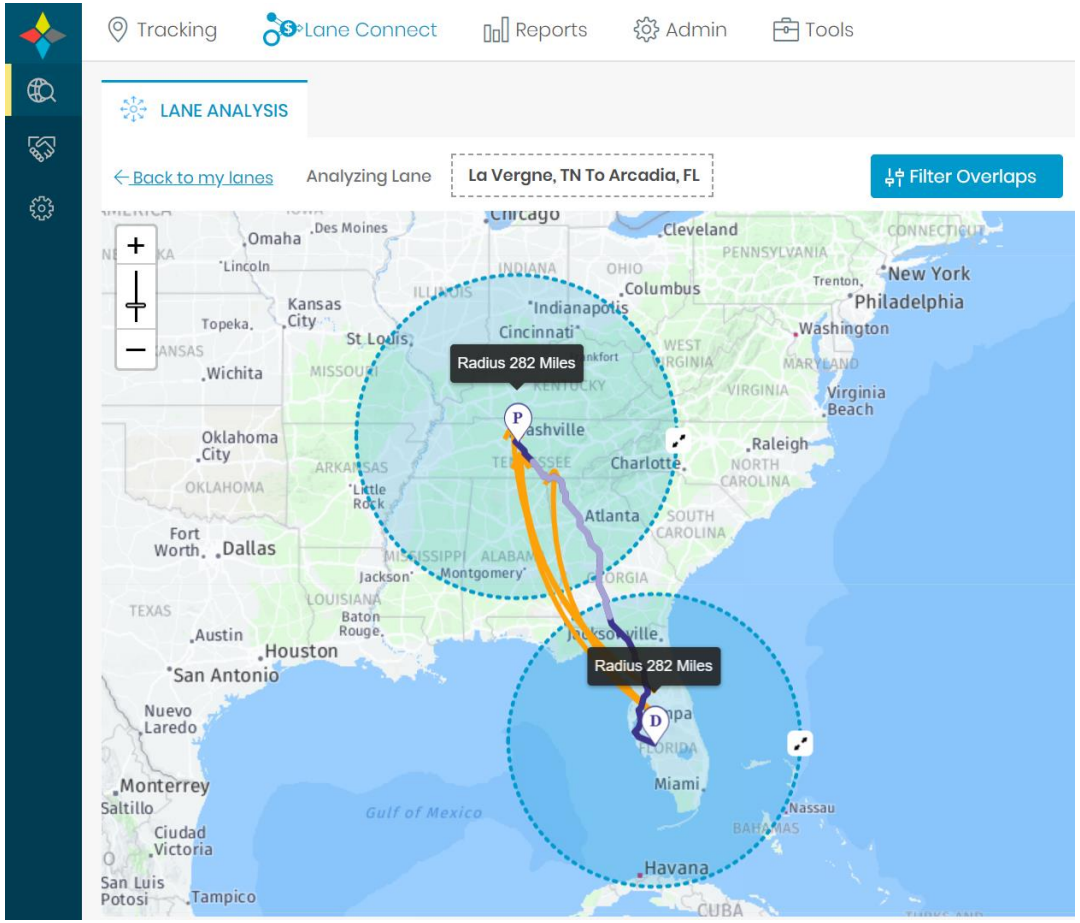
A Brambles Company

# Transportation Trends

- Market volatility
- “New normal?”
- Collaboration is….
- Significant opportunity in the logistics ecosystem
  - Reduce empty miles
  - Increase revenue generating miles for private fleets
  - Remove barriers to collaboration
  - Achieve sustainability within supply chain

# What is Lane Connect?

- Lane Connect identifies round-trip lane opportunities and inefficiencies.
- Lane Connect enables collaboration:
  - Internal to your network
  - External based on an invitation process
- Lane-level data is only visible to mutually accepted partners
- Lane connect is not a digital load board or a spot market platform



# Contracting FAQs

- Partners contract directly with each other on standard terms such as:
  - Indemnification, liability, OSD, service recovery, tendering, rates, assessorials, performance metrics, force majeure, etc.
- Factors for load acceptance include cube/pallet load, height, weight of shipment, and equipment type
- Considerations:
  - Impact/changes to carrier relationships
  - Include facilities in decision making to ensure success
  - Align on respective legal and logistical processes
  - Keep SKU level private (only city/state shows in Lane Connect)
  - Focus on strategic relationship management

# Panel Discussion

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Director, Managed Transportation

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# How do I Participate?

- Please reach out to networkenablement@fourkites.com to learn more

- Download the e-book on Lane Connect from the FourKites website, https://www.fourkites.com/network-solutions/lane-connect/

# In Closing

"As an eco-system we can help reduce the capacity crunch, improve cost and reduce the amount of carbon our trucks produce.  There are not many initiatives we work on that do all three."

– Yone Dewberry, SVP and Chief Supply Chain Officer, Land O'Lakes

# Contact Us

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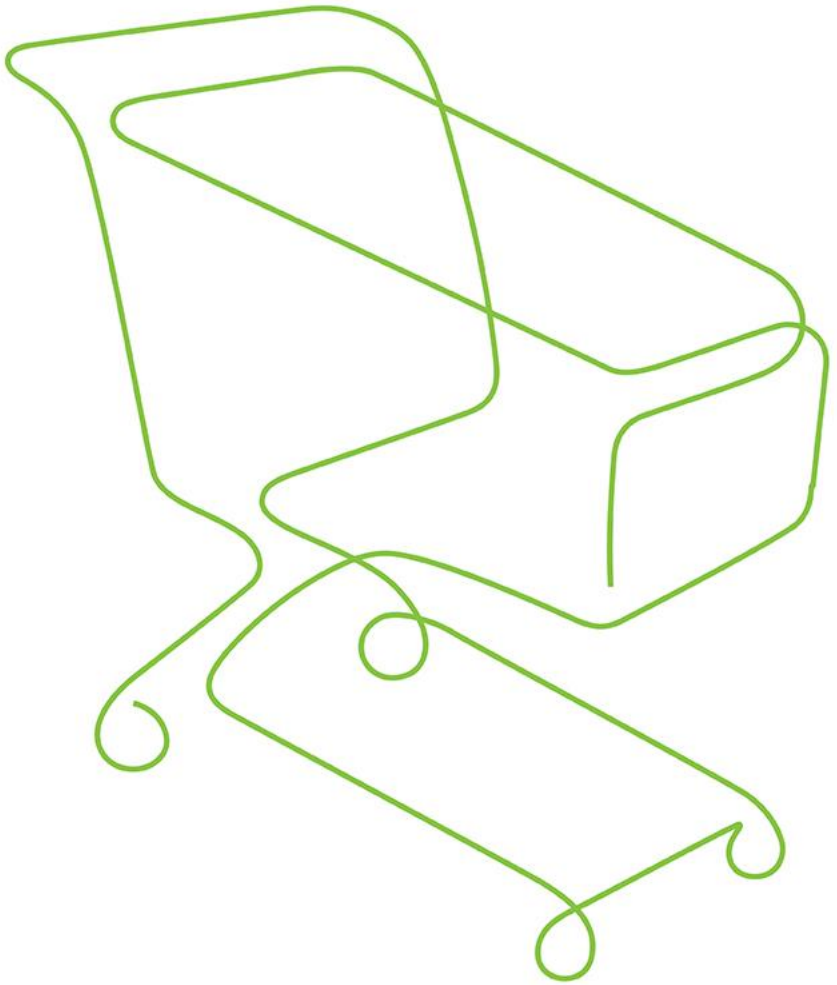
# THANK YOU!