

READERS' CHOICE

THE TOP 10 3PL EXCELLENCE AWARDS

"C.H. Robinson has been a true business partner to our company. Through mutual commitment and collaboration we've reduced costs and improved customer service. That's value."

— GREG WELLS, Corporate Transportation Manager, General Cable

"BNSF Logistics puts customer needs first and has gone the extra mile to accomplish their goals for our company."

— FIYAD Y EL KAZZAZ, IPM Deployment Manager, Frito-Lay North America

"Schneider Logistics does an outstanding job of helping us serve our customers."

— ANDREW OWENS, Procurement Manager, Honeywell Int'l.

"TLC and Exel are good overall providers that deliver strong customer service and cost management."

— GREG SMITH, SVP Supply Chain, ConAgra Foods Inc..

Inbound Logistics readers selected:

1	Ryder
2	Exel/DHL
3	UPS Supply Chain Solutions
4	C.H. Robinson
5	BAX/Schenker
6	Menlo
7	Transplace
8	Schneider Logistics
TIE 9	BNSF Logistics
	Landstar
TIE 10	Penske Logistics
	TLC

Reader remarks such as these aren't commonplace, especially given the staggering complexity of today's logistics and supply chain challenges. But some 3PLs inspire this kind of recognition.

When logistics partners consistently go above and beyond expectations to deliver truly remarkable service, our readers let us know about it. We tally the votes and report the results each year in our Readers Choice: Top 10 3PL Awards.

A record-breaking 4,626 votes were cast by this year by transportation managers to CEOs, from small retailers to Fortune 10 companies, and they nominated 391 individual 3PLs. Beyond filling out the survey form, 1,730 readers took the time to share additional praise; the quotes above are just some examples.

The diverse logistics experience of *IL* readers (see sidebar, right), lends further credibility to their appraisal of what makes a 3PL worthy of recognition.

Some readers even shared their

views on 3PLs in general. "I believe using 3PLs is the way of the future for all transportation needs," says Stacie McWilliams, transportation manager, DirecTV. "Most corporations still do not recognize the importance of a good logistics department, so internal resources are not readily available. The 3PLs I voted for operate in a collaborative environment, constantly offering ideas, solutions, and suggestions for my business."

"Our core competency is manufacturing, not distribution, which made outsourcing to Ryder a perfect solution," says Ben Baker, logistics coordinator, YKK AP America Inc. "Ryder has provided the service that our product and customers expect and demand. We can provide the reality of our own private transportation system without actually going into the trucking business – at a fraction of the cost of acquiring and managing those assets ourselves."

Enough said. Turn the page and help us celebrate this year's Top 10 3PLs, as chosen by *IL* readers.

JOB TITLES

Corporate Management	38.2%
Supply Chain	18.5%
Transportation Management	20.1%
Logistics	22.5%

SERVICES BOUGHT

Air Freight	52.7%
Ocean/Intermodal	44.0%
Small Package/Express	61.9%
Logistics Technology	59.5%
Warehousing	64.0%
Global Logistics	44.0%
Motor Freight	75.3%
Rail/Intermodal	43.7%
3PL Services	56.7%
Transportation Equipment	30.4%
Materials Handling Equipment	43.8%
Dock Equipment	9.4%
Logistics Consulting	36.1%

\$ SPENT ON LOGISTICS

More Than \$50 Million	12.3%
\$10 - \$50 Million	39.7%
\$1 - \$10 Million	21.8%
Less Than \$1 Million	26.2%

READERS' CHOICE

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THE 3PL ZONE

1

Ryder

WHY THEY WON: Miami-based Ryder possesses a keen sense of who it is – “a partner for the future” – what it provides – “3PL capabilities to serve global organizations” – and where it is

headed – helping “medium-sized companies go to the next level,” says **Vicki O'Meara**, president. Readers, too, are clear on the company's capabilities, voting for its “relentless customer focus,” and “cutting-edge technology.” But for Ryan Boccelli, director of logistics, Stonyfield Farm Inc., Ryder's carbon footprint-reducing solutions are the clincher.

“Its capabilities are a key contribution to our mission for a healthy planet,” he says.



CLIENT ROSTER:

- | | |
|-----------------------|------------------------|
| ■ Toyota | ■ Philips |
| ■ CVS Caremark | ■ General Motors |
| ■ Carrier Corporation | ■ Stonyfield Farm Inc. |
| ■ Nestle | ▲ Hewlett Packard |
| ■ Northrop Grumman | ■ The Home Depot |

CASE STUDY | PHILIPS: Philips' consumer electronics products need to arrive at stores on time and damage-free, so Philips requires detailed, end-to-end outbound supply chain management. Since 2001, Ryder's Transportation Management Center has helped plan, route, and execute Philips' shipments across all modes. Ryder also identifies ways to optimize Philips' distribution network, resulting in lower costs and increased visibility. Philips now maintains 99-percent inventory accuracy and consistently gets products where they need to be – sitting pretty on store shelves.

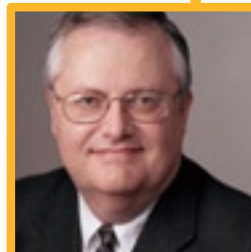
2

Exel/DHL

WHY THEY WON: The Exel/DHL merger created quite a stir in the business community – the combined company is one of the world's largest logistics businesses, with 500,000 employees and nearly \$76 billion in annual sales. For outsourcers, though, the global giant still provides a personal touch, offering “exceptional customer focus,” “strong cost management,” and “a wide range of reliable services,” according to *IL* readers. Exel Americas CEO **Bill Meahl** agrees that people are the company's strongest asset. “Our people are outstanding. Exel works hard to provide the right tools to enable customers to be successful – and each year we've seen gains in productivity, cost effectiveness, and our service metrics,” he notes.

CLIENT ROSTER:

- | | |
|-------------------|---------------------|
| ■ DaimlerChrysler | ■ Unilever |
| ▼ Kellogg's | ■ Kraft |
| ■ Goodyear | ■ The Home Depot |
| ■ Wal-Mart | ■ Texas Instruments |



3

UPS Supply Chain Solutions

WHY THEY WON: What does Brown do for *IL* readers? “Makes zero mistakes,” “drives cost out of our business,” and “is always reliable.” The Atlanta-based 3PL has long been a Top 10 provider, thanks to its “global assets, carrier relationships, and technology; knowledgeable workforce; and systems that flex for value-added services and cyclical peaks,” says Senior Vice President **Bob Stoffel**. Camera manufacturer Nikon concurs. “UPS has helped Nikon respond to the market by extending our ability to turn inventory quickly,” says Arnold Kamen, Nikon's vice president of operations and customer services. UPS is also earning points with its simplified Web access for shipping, visibility, and billing information.

CLIENT ROSTER:

- | | |
|------------|---------------------------------|
| ▲ Nikon | ■ Shoes.com |
| ■ Molex | ■ Becton, Dickinson and Company |
| ■ Sprint | ■ Nestle Purina Pet Care |
| ■ Novartis | ■ Under Armour |
| ■ Oneida | ■ Johnson & Johnson |

CASE STUDY | ARTHUR WILLIAM'S INDUSTRIES (AWI):

When Arthur William's Industries, a Cincinnati-based distributor of retail store fixtures, began sourcing from Asia in 2005, it needed solutions to improve transportation control, efficiency, and reliability. Enter UPS' Trade Direct Ocean solution. UPS picks up AWI's goods in China, consolidates shipments into one container to reduce freight and brokerage expenses, and handles customs clearance. Upon arrival at the U.S. port, UPS breaks the shipment down into individual orders and distributes them directly to AWI customers. As a result, AWI slashed time to market from 12 to 14 weeks to 9 to 11 weeks, with commitments for direct-to-store delivery.



4

C.H. Robinson

WHY THEY WON: C.H. Robinson is a company with a “can-do, make-it-happen attitude,” says one *IL* reader. Making it happen for shippers is what the Eden Prairie, Minn.-based 3PL specializes in, thanks to its “knowledge of local market conditions, 217 worldwide offices, and industry-leading technology,” reports **John Weihoff**, CEO. The company recently acquired seven new branch offices in India, and companies offering flatbed truck transportation, and domestic air and expedited services, respectively. Such strategic moves make it valuable to companies such as Ocean Spray. “I consider C.H. Robinson to be a strategic partner, not just a transportation provider,” says Mark Sherburne, general manager, produce.

CLIENT ROSTER:

- Wal-Mart
- Anheuser-Busch
- Clorox
- Ecolab
- Fastenal Company
- MackayMitchell Envelope Company
- Ocean Spray
- Hickory Farms

CASE STUDY | MACKAYMITCHELL ENVELOPE COMPANY:

Frustrated by sending its shipments into a “black hole,” MackayMitchell Envelope Company forged a relationship with C.H. Robinson for freight brokerage services. The company's prior freight broker “lacked information and communication,” says Joe Cristoforo, vice president, quality and process improvement. “Not only was truck availability an issue, but once our shipments were picked up, we had no visibility into shipment status.” By contrast, C.H. Robinson provides direct communication, feedback, and online tools MackayMitchell couldn't access before. The partnership allows the envelope manufacturer to offer a high level of service to customers, which, says Cristoforo, is the company's number-one priority.



READERS' CHOICE

THE TOP 10 3PL EXCELLENCE AWARDS

THE 3PL ZONE

5

BAX Global/Schenker

WHY THEY WON: *IL* readers give the seal of approval to the combined forces of BAX Global and Schenker, saying the new logistics powerhouse “consistently goes over and beyond expectations,” and “always provides quotes down to the penny.”

Customer satisfaction with German-based Schenker—which provides integrated logistics services—and Irvine, Calif.-headquartered BAX Global’s supply chain management and transportation solutions can be credited to “the size and scale of our logistics and transportation networks, industry knowledge, and customer-centric solution designs,” says BAX Global President **Joey Carnes**. “We have created a framework of solutions that are globally harmonized and locally delivered.”

CLIENT ROSTER:

- BOC Edwards
- Siemens
- Goodrich
- DaimlerChrysler
- NASA
- Microsoft
- Sanmina
- Satair
- Porsche
- USOC

CASE STUDY | SANMINA-SCI:

Because it was dealing with razor-thin margins and variable costs, including transportation rates and fuel expenses, global electronics contract manufacturer **Sanmina-SCI** needed help reducing logistics costs to improve its bottom line. To do so, Sanmina’s logistics team works closely with BAX Global, its primary provider for transportation spend at its Asia facility, to find cost-reduction opportunities—with a \$200-million transportation spend, even small savings add up. Today, BAX manages Sanmina’s warehouse/logistics facilities and provides value-added services such as managing inventory, supplying production lines, and fulfilling orders to customers.



6

Menlo

WHY THEY WON:

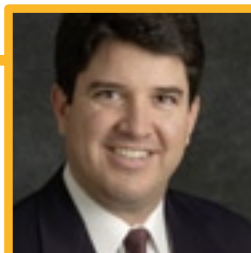
“The true partnership we share differentiates Menlo from other suppliers,” says Greg Schupp, director of operations, Maquet Inc., which works with Menlo to improve supply chain quality and reduce costs. Partnership and collaboration are key operating tenets for the San Mateo, Calif.-based 3PL, as are “aligning each customer’s needs with the right supply chain solutions,” says **Robert Bianco**, Menlo’s president. The company’s asset-light business model, application of lean principles, and presence throughout Europe and Asia also give outsourcers a leg up, adds Bianco. What strengths do readers point to? Menlo’s “execution and advanced technology,” and “best-in-class service.”

CLIENT ROSTER:

- Cisco Systems
- Dow Chemical
- Embraer
- GM
- **Hewlett-Packard**
- Maquet
- Network Appliance
- Nike
- Ricoh Electronics
- Starbucks

CASE STUDY | RICOH

ELECTRONICS: As a competitor in the crowded photocopier market, Ricoh Electronics needed to manage inventory more effectively. Menlo’s winning plan: set up a network of product finishing centers within the regional warehouses it operates for Ricoh to postpone product assembly until orders are received. Ricoh now ships un-accessorized photocopiers to regional warehouses that are stocked with copier add-ons. When orders come in, Menlo associates attach accessories and ship the customized copiers. The partnership helps Ricoh meet three objectives: reduce finished goods inventory, reduce product obsolescence, and improve order fill rate.



7

Transplace

WHY THEY WON: Billing itself as the “3PL & Technology Company,” Plano, Texas-based

Transplace offers a proprietary on-demand TMS that manages nearly \$3 billion annually. “Transplace technology is used to design, optimize, and manage complex supply chains,” says **Tom Sanderson**, CEO. Or, as one customer puts it: “Transplace really shines when it comes to tackling the tough stuff.” The company isn’t only focused on technology,

though—it uses its 3PL expertise to “help reduce capital expenses for companies within our network,” explains Sanderson. Readers also commend Transplace for its “outstanding human capital” and “ability to bridge the gap between customers and carriers.”



CLIENT ROSTER:

- AutoZone
- ◀ **Microsoft**
- Del Monte
- DirecTV
- Glatfelter
- Office Depot
- Intertape Polymers
- Sunny Delight
- Cott
- Beverages
- Rock Tenn

CASE STUDY | DIRECTV:

From 1995 to 2001, digital TV provider DIRECTV added 9 million new subscribers—great for the bottom line, bad for logistics efficiency. To reduce

product distribution costs, DIRECTV partnered with Transplace for transportation optimization, claims management, and reverse logistics services. By applying Transplace technology, DIRECTV reduced its cost per unit by 20 cents on average, and “experienced tremendous ROI, unparalleled supply chain visibility, and on-time delivery improvements,” says Michael Schertz, DIRECTV. The company also gained access to real-time reporting and visibility via Transplace’s Web portal.

8

Schneider Logistics

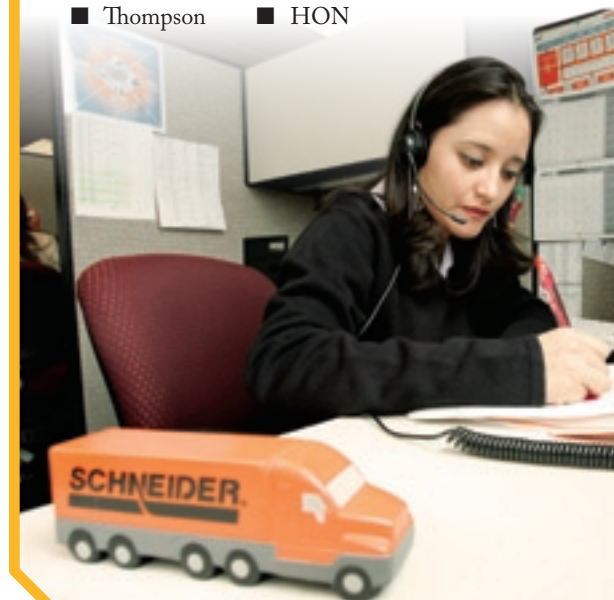
WHY THEY WON: Schneider Logistics has been busy—enhancing its global capabilities by acquiring a freight forwarding company, and “building an increasingly large presence in import deconsolidation and port drayage,” says President **Tom Escott**. Add this to “a 15-year track record of supply chain management excellence,” and you get

happy customers, Escott notes. “We know we will get good service from Schneider. When we ask for anything, Schneider gets it done,” says Eugene Galdi, procurement director, logistics and transportation services, Honeywell. *IL* readers agree, pointing to the Green Bay, Wisc.-based 3PL’s “outstanding

job of helping us serve customers,” and “focus on adding value and improving customer operations.”

CLIENT ROSTER:

- General Motors Service and Parts Operations
- Ford Customer Service Division
- ArvinMeritor
- Tronox
- KTM
- Thompson
- Nissan
- BP
- Dow
- HON



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THE 3PL ZONE

TIE

9

BNSF Logistics

WHY THEY WON: Readers who voted for BNSF cite its “honesty,” “competitive rates,” and “ability to solve problems on short notice” as standout factors. The Springdale, Ark.-based 3PL offers solutions ranging “from problematic lanes,

equipment, and service requirements on individual transactions to entire supply chain optimization,” says

Eric Wolfe, BNSF’s vice president and general manager. The company also invests heavily in technology, as well as operations and support personnel, to keep customers such as tractor manufacturer Montana Tractor satisfied. “BNSF’s operations people

routinely provide exceptional customer service and are a pleasure to work with,” says Scott Finley, Montana Tractor’s vice president of supply chain.

CLIENT ROSTER:

- Morton’s International
- Ingersoll-Rand
- The Home Depot
- ▶ **Montana Tractor**
- Wal-Mart
- IKEA
- Kohl’s



CASE STUDY | AMAZON.COM: Though Amazon is well-known for its e-tailing dominance, the online bookseller struggled with escalating costs, unpredictable service, and a lack of inbound supply chain visibility, resulting in lost sales and low returns. Amazon turned to BNSF Logistics to help redesign its inbound network, and improve pipeline velocity through mode and carrier rationalization. BNSF implemented regional crossdocks – linked geographically to vendors – and now routes consolidated outbound shipments via expedited carriers to ensure rapid transit. In the first six months of the program, BNSF helped Amazon reduce transportation costs 25 percent, enhance supply chain visibility, and improve inventory velocity by 5 percent.

TIE

9

Landstar

WHY THEY WON: Landstar Global Logistics is in the small-business business, says its president, **Jim Handoush**. That means the Jacksonville, Fla.-based company “understands that large and small shippers alike need supply chain solutions, both across the street and around the globe,” he explains. Landstar’s unique business model – a network of independent transportation and warehouse capacity providers – gives it the flexibility to offer a wide variety of logistics services. “Our agent family really makes the difference.

They are experienced transportation service professionals and innovative entrepreneurs focused on serving shipper needs across North America and around the world using Landstar’s technology and expansive network of capacity providers,” Handoush says. The company added warehousing services last year to its roster of solutions, and now addresses all steps in the supply chain. Readers partner with Landstar because “its customer service is second to none,” and it offers “competitive pricing,” “the ability to handle loads to any of the 48 states,” and boasts “an excellent record for meeting its appointments.” For building materials manufacturer ▼ **CertainTeed**, in particular, Landstar “acts as a strategic partner and continues to add value to our supply chain,” says David Rivers, director of order fulfillment.



TIE

10

Penske Logistics

WHY THEY WON:

For Reading, Pa.-based Penske Logistics, customer service is all about developing configurable solutions. “We offer customized products that precisely fit a customer’s needs, instead of making customer needs fit a predetermined solution,” says **Vince Hartnett**, president. The formula resonates well with readers, who say that Penske “takes its customer’s goals as its own,” and “will never over-commit and under-deliver.” Over the last year, Penske has taken significant steps to better meet customer

needs by enhancing global freight forwarding capabilities, and expanding facilities to accommodate customer growth in North America, South America, Europe, and Asia.

CLIENT ROSTER:

- Merck
- Eaton
- Ford
- Sony
- BMW
- Key Safety Systems
- GM
- ◀ **Whirlpool**
- Samsung
- DSM

CASE STUDY | WHIRLPOOL:

In 2006, after years of working together, home appliance manufacturer Whirlpool Corporation named Penske its Lead Logistics Provider (LLP), giving it management responsibility for all Whirlpool 3PL partners. As LLP, Penske provides Whirlpool enhanced ability to view suppliers’ key performance indicators, and has helped Whirlpool integrate its recent acquisition of Maytag. Penske also assumed responsibility for Maytag’s private fleet, saving Whirlpool more than \$1 million. “Our close collaboration enables Penske to be an extension of our business operations,” says Steve Whalen, Whirlpool’s director of supply chain operations. “Just like us, Penske is always looking for new ways to improve efficiency and accountability.”



TIE

10

TLC

WHY THEY WON: TLC stands for Total Logistic Control, but it also abbreviates the company’s mantra: “Thinking Like the Customer,” says CEO **Bob Koerner**. This attitude enables TLC to “match service delivery, performance goals, and continuous improvement programs to our customers’ core objectives,” Koerner explains. TLC also thinks a lot about technology, focusing on “continued deployment of solutions that better integrate customers’ source-to-shelf supply chains,” he adds. Customers have noticed. “TLC’s technology capability fills in our IT gaps,” says one *IL* reader. Others approve of TLC’s “customer service, creativity, and breadth of resources,” and its “ability to maintain low costs and high service.”

CLIENT ROSTER:

- Sara Lee Corporation
- Dean Foods Company
- Rich Products
- The Schwan Food Company
- Kellogg Company
- Kraft Foods
- Lamb Weston
- ▼ **Georgia Pacific**
- ConAgra
- Diageo

CASE STUDY | W. NEWELL: W. Newell, a Champaign, Ill.-based distributor of farm-fresh produce, needed a dedicated fleet solution that could provide high-touch/high-service deliveries to five Midwestern states. TLC’s solution, a combination of company drivers and owner-operators, has been fully operational for two

years. The results? “TLC handles more than 375 loads per week for us, averaging 425 miles per trip. Its 96-percent on-time performance to a 30-minute window makes TLC one of the best 3PL carriers in the business,” says Gary Gionnette, W. Newell’s COO. Gionnette also values the “special link” TLC drivers have built between W. Newell and its customers.

