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3PL CEO Interviews –

Strategies for Leading Your Company into the Recovery

Released July 2010

Contents

Interested in the views and strategies of 3PL CEOs and the Chief Supply Chain Officers from their biggest customers?

There's no better place to meet them, hear their latest insights and delve into the industry's biggest challenges than the

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Beat Simon, *CEO* Europe of **Agility**

Rudi Roex, *CEO* of **Ewals**

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Christian Leysen, *Chairman* of **Ahlers**

Andrew Austin, *CEO* of **Priority Freight**

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Laurence Coudry, *European Distribution Organization Supply Chain Director* of **Johnson & Johnson**

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Tjebbe Smit, *Vice President Manufacturing & Logistics* of **Oce Technologies**

Neil Spickett, *Group Logistics Director, Eastern Europe* of **Carlsburg Breweries**

David Picton, *Supply Chain Operations Director* of **BskyB**

Lars Kjærbølling, *Director, Strategic Projects - Global Distribution Logistics* of **LEGO System A/S**

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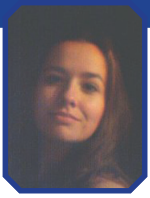
Register quoting 'INT720' and save an extra €100 if booked before July 28th on **www.3PLsummit.com/eu**

Or contact Katharine O'Reilly on +44 (0)207 375 7207 or koreilly@eft.com with any questions or for more information

Introduction



The last 18 months have proved to be a time of unprecedented challenges for the 3PL industry. For the CEOs of these companies, this means confronting a market in turmoil, a business environment with no precedent, and a workforce in need of confident, realistic leadership.

In this series of executive interviews, we asked the CEOs a set of questions designed to reveal the key strategies they used to approach what for many is the biggest business challenge they have faced. For some it was an opportunity, for all it was and is a test of their leadership ability.

The aim of the interviews is to shed insight on the fundamental business strategies that CEOs used and which can be applied to careers and businesses across the industry: ways of finding opportunity in difficult times, leading a team through a harsh economic environment, adding value and enhancing a career in one of the most difficult eras for 3PLs and all foundation businesses.

The twelve interviews represent the CEOs of some of the largest 3PLs in the industry, and represent a unique insight into their personal views, fears and business philosophies. The focus is not just on the last few months of business, but future challenges and opportunities that these leaders, their companies and the wider market will face. We discuss customer satisfaction, business innovation, the shape of the rebound, future growth strategy, and what distinguished their approach to the economic recovery and rebound.

The theme that runs throughout what turn out to be very different responses is the idea of discovering the opportunity within a difficult business atmosphere. This approach, in all its incarnations, is a lesson that will resound with executives in all parts of the industry and at every level, and which can add as much value in a time of economic upsurge as it can in a downturn.

We hope you find the interviews useful, and encourage you to share them with your colleagues and industry contacts who may also benefit from the insight herein.

For more information on the interviews, our 3PL Summits in Atlanta and Brussels (where 3PL CEOs gather and speak), or any questions, please contact me on the details below. A brief description of eyefortransport follows the interviews.

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Thomas Lieb

Chairman

DB Schenker

www.dbschenker.com

Dr. Thomas C. Lieb, born in Reutlingen, Germany, in 1958, studied business economics. After graduating he obtained his Ph.D. at the Institut für Verkehrsbetriebslehre und Logistik (Institute of Transport and Logistics Studies) of the University of Mannheim.

In 1989 he joined Stinnes AG, Mülheim an der Ruhr, as an assistant to the Board. At the beginning of 1993 he moved to the Air and Sea Freight business unit at Schenker and was appointed to the Board of Directors of the newly established Schenker International Deutschland GmbH, Kelsterbach, in 1994. In November 1998 he became the Regional Manager for Europe/ Africa/Near and Middle East at the Head Office of Schenker AG, Essen. On 1 February 2001 Dr. Thomas C. Lieb was appointed to the Management Board of Schenker AG, where he is responsible for the global Air/Ocean Freight activities of the group, as well as for Trade Fairs. He also has regional responsibility for the operational business in the Americas and APAC regions. With effect from July 1st, 2008, he has assumed the chairmanship of the Board of Management of Schenker AG.

What distinguishes your company's approach to the rebound?

DB Schenker Logistics has managed the crisis better than most competitors. We have proven to be resilient due to our close customer relationships, which are built on a high industry standard we are setting. In addition new product offerings, such as DB SCHENKERskybridge (air/sea combination) and our state-of-the art purchase order management "ICM" we are creating additional efficiencies for our customers.

There are more intelligent ways than being a price crusher.

Describe the one most important strategy decision that you have made in the last 18 months?

We have put in place our growth strategy in contract logistics/ SCM, named "Go-for Growth". This program focuses on specific, standardized solutions in four growth sectors automotive, consumer, electronics and industrial. Our industry specialists are designing individual service solution for our customers in these segments.

What is your growth strategy in the next year?

Together with my board colleagues we have just decided on a new growth strategy for the next four years. This program is split into three segments. Firstly we are aiming for growth through optimized sales in existing business. Secondly, our plan is to grow through network completion and extension in emerging markets/ tradelanes. Last, but not least we are planning for growth with new standard solutions along key industries.

As a CEO, what do you see as big challenges for your company over the next couple of years?

In short term our industry has to manage the risen volatility in volumes and rates, which cause risk due to its unpredictability. In the long run globalization tends to diversify. Certain region or industries gain more momentum than others and we need to prepare for these very specific needs. Only the large service providers have the ability to assess these trends precisely and at the same time shift attention and capacities to emerging regions and industries

Where do you see the biggest opportunities for 3PLs?

We see the biggest opportunities for 3PL's in emerging markets that are currently not serviced by those organisations. In addition to that there will be tremendous growth opportunities for green solutions.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

Only 3PL's have the full supply chain visibility, which enables them to lower risks of all players within this value chain. The information necessary for the finished product seller can be tracked directly from the raw material supplier.

This quality is backed by the IT-excellence throughout the whole supply chain, which only 3PL's possess.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

Due to this supply chain visibility, 3PL provides are able to measure downturn at very early stage. We saw shrinking growth since November 2007. This information is key for all participants in the supply chain.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Our customers are asking for increased transparency in supply chains, multi-modal solutions and individualization of products. We are working intensely on those topics and have launched recent solutions such as our Integrated Cargo Management Tool, which is a state-of-the-art Purchase Order Management Software.

For certain key industries we have developed industry solutions, which exactly cater the needs of that market (e.g. in semicon/solar sector, aeroparts, automotive, etc.)

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

Can economic developments described in a character? I believe that we are in an upturn, with several push-backs on the way. This increases the need for flexibility.

Excluding yours, what company do you admire most, and why?

For all managers those organizations act as a role model, which are constantly drive innovation and are able to manage their capacities best and according to the market conditions.

Antony Francis

President

ATC Logistics & Electronics

www.atcle.com

Antony Francis is the President of ATC Logistics & Electronics (ATCLE). He has over 30 years of experience in all aspects of global supply chains and logistics serving customers worldwide.

Before ATCLE he was President and COO of Plan Express, Inc., a provider of construction document management and logistics solutions, after serving as acting COO of NewRoads, Inc, a catalog and e-commerce fulfilment provider. Prior to that, he was Vice President of Global Operations at SciQuest.com, the scientific internet marketplace. From 1994 to 1998, Mr. Francis was vice president/general manager of the Logistics and Electronic Commerce Division for Federal Express' European, Middle Eastern and African headquarters. He previously worked for Ernst & Young in Europe, the Middle East and in Africa.

He is a Fellow of the Institute of Chartered Accountants in United Kingdom and a Fellow of the UK Institute of Transport and Logistics. He is a Member of the Society of International Business Fellows (SIBF); is a Member of the Board of North Texas Commission; and sits on the Board of Trustees of Dallas Opera.

What distinguishes your company's approach to the rebound?

We have used the time when volumes have been slow and below expectations to retool some of our production process in the reverse and test and repair area. In addition we have added two new key features of service: transportation management and FTZ capability in DFW.

Describe the one most important strategy decision that you have made in the last 18 months?

Broaden out of the pure wireless handset market into other areas such as set top boxes.

What is your growth strategy in the next year?

Continue to expand in the wireless and set-top box, cable verticals and begin expansion into medical. Expand into 2 regions geographically. Also, strengthen our feature set and invest in the technology to enable that.

As a CEO, what do you see as big challenges for your company over the next couple of years?

Keep operating margins at historical levels. Maintain CAGR of revenue above the 18% rate.

Where do you see the biggest opportunities for 3PLs?

As companies come out of the recession, they will seek to outsource logistics as a non-core competence and we will leverage that.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

One issue as companies have reduced inventories over the past year is that they have stretched supply chains to the almost breaking point. A small change in their supply base can send a shudder downstream and cause the chain to rupture with horrendous results and loss of market share as competitors quickly grab the open space.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

The infrastructure exists within 3PLs and that allow quick start up and ramp up. Technology is tailor made to the solution and can be rapidly implemented. Customers will want to focus on marketing and selling their products.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Information and visibility along the supply chain … unfortunately this has been a recurring theme for the last 10 years!

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

Slow rebound … more of a slow growth linear line … don't see peaks and dips and don't see a stop/start either.

Excluding yours, what company do you admire most, and why?

FedEx … a great process house … very customer focused. But I am biased because I worked there! CEVA Logistics has the right idea and is integrated the pieces. Some good people too.

Craig Simon

President & CEO

FedEx Supply Chain

www.fedex.com/us/supplychain/main/

Simon joined FedEx in 1999 as director of FDX eSupply Chain Services. He later became vice president of FedEx Solutions, with teams responsible for designing and implementing service and logistics solutions and for supporting FedEx Sales with resources, processes, and tools.

Before joining FedEx, Craig spent eight years with Andersen Consulting (now Accenture), providing supply chain strategy development and operations improvement efforts to Fortune 500 companies in the consumer products, retail, food and hi-tech industries.He also developed a successful health care information start-up company in Silicon Valley.

Craig holds two degrees from the University of Notre Dame: a Bachelor of Science in Mechanical Engineering and a Bachelor of Arts in History. Craig is certified in production and inventory management (CPIM) from the American Production and Inventory Control Society (APICS).

What distinguishes your company's approach to the rebound?

FedEx is truly a global enterprise, so our company has a large window into the current economic conditions – both domestically and internationally – and how both are expected to rebound. As part of a large global integrator, FedEx SupplyChain was one of the first 3PLs to observe the economic drop off and one of the first to see the early signs of recovery. Therefore, we were better positioned than most to accelerate our growth initiatives. In fact, because of our investment in future growth, we have increased our revenue during the last 18 months.

Describe the one most important strategy decision that you have made in the last 18 months?

Our strategic decisions during the last 18 months have supported our belief that great companies can emerge from economic downturns better than they were before. While we tightened our belt to weather the reduced volume from some industry segments such as automotive, we also increased our investment in IT and operational capacity in less affected markets like medical devices and high-tech service parts. By doing so, we improved service to our existing customers and added capabilities to attract new ones.

We did not see a reduction in our customers' expectations during the recession. On the contrary, our customers relied on us to help them navigate the downturn. We accomplished this objective very well during the last 18 months. Even more importantly, our investments will pay dividends for our customers and FedEx SupplyChain going forward.

What is your growth strategy in the next year?

Our growth strategy is to integrate existing FedEx SupplyChain capabilities in North America, Europe and Asia with new services in emerging markets. It is a natural tie-in with FedEx Express, the world's largest express transportation network. FedEx Express connects more than 220 countries and territories, usually within one to two business days door-to-door. In addition, FedEx Express has launched domestic express services in China, Mexico and India in recent years. Combining the FedEx SupplyChain logistics network with the superior FedEx Express transportation networks in these markets gives us an advantage that cannot be easily matched. It not only makes sense, it is what our customers are telling us they want and need.

As a CEO, what do you see as big challenges for your company over the next couple of years?

I see a number of challenges for FedEx SupplyChain. The first is lowering the cost to serve small customers, who increasingly make up a larger share of the GDP each year. Often times, these companies' supply chains struggle to compete against their larger counterparts strictly due to economies of scale. In our business, where technology plays such a large role, small customers are sometimes left out because the IT integration costs outweigh the benefits of change. We are working on ways to reduce these integration costs to put small customers on the same playing field as larger ones.

Other challenges we will face include rising employee health care costs, increasing energy costs and an uncertain regulatory environment.

Where do you see the biggest opportunities for 3PLs?

I enjoy being in the supply chain business because I love solving challenges. New problems arise for all supply chain professionals on a regular basis because of the ongoing changes in the underlying playing field. It is this constant change that offers 3PLs their greatest opportunity.

Change may come in the form of high growth in a particular industry (such as medical devices) or in the form of volume decline during a downturn (like industrial manufacturing). Growth or decline means that manufacturers need to either expand or shrink their supply chains. 3PLs are better suited to absorb this supply chain dynamic because we serve multiple customers with varying volume levels.

Change can also be in the form of new government regulations, like the proposed general sales tax in India or the proposed changes for transporting embedded lithium batteries in the U.S. The 3PLs that develop the most effective solutions to their customers' new challenges will be the ones that gain the most.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

Security risks are increasing at an alarming rate, especially in the high-value logistics arena. It used to be that security risks were higher in developing countries than in developed ones. Now, supply chains are at risk in every part of the world.

At FedEx SupplyChain, we put a premium on keeping our customers' inventory safe. Of course, security is front and center for all of our employees, but we also apply state-of-the-art technology to mitigate risk. For example, FedEx Innovation Labs has developed a new product called SenseAwareSM to continuously monitor products during all transportation and distribution points, including during flight on FedEx aircraft. This active device uses RFID and is the only one of its kind approved for use by the FAA. FedEx SupplyChain will use SenseAware for our customers that place a high premium on product safety.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

Flexibility is the greatest value generator that a 3PL can provide during any change in growth patterns, especially during the downturn we just experienced. For 3PLs that provide "multi-client" services, flexibility is built into what we do.

As I mentioned before, not all industries were affected the same. This holds true for companies within the same industry, too. Whether it's our hub-based, multi-client warehousing or our FedEx® Transportation Management, our customers benefit because we can flex resources across multiple operations.

In terms of IT, the notion of multi-client holds true as well. Maintaining world-class IT infrastructure requires ongoing investment. These costs can be daunting when a manufacturer or distributor needs a new Warehouse Management System, for example. FedEx SupplyChain invests heavily in IT so our customers don't have to. We benefit from the economies of scale that we achieve by putting these systems to work for multiple customers.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

There are two areas I hear about most when it comes to innovation. The first is supply chain visibility and the second is sustainability. Let me give you an example for each one.

Supply chain visibility – Any made-to-stock product requires safety stock inventory to cover the unpredictability of demand and supply. Companies can lower their inventory-carrying costs if they have access to more reliable information. In the case of field-based inventory (remote/technician stock), a wide variance exists between companies that have good control over this inventory vs. those that lose track once it is deployed into the field. Improving visibility of field-based inventory yields reduction in inventories.

To meet that need, FedEx SupplyChain has a field-based management service called FedEx Critical Inventory Logistics®. We manage our customers' inventory in FedEx custodial-controlled locations (FedEx Express, FedEx Office, FedEx Trade Networks) and tightly control it using our IT system. We give customers the power to lower costs.

Sustainability – Companies are confused about how to best manage the sustainability of their supply chains. FedEx is taking the lead on many fronts in the sustainability battle.

FedEx currently operates the largest hybrid fleet in the transportation industry, along with one of the largest alternative energy vehicle fleets. We have set long-term goals to reduce aircraft emissions 20 percent by 2020, increase FedEx Express vehicle efficiency by 20 percent by 2020 and expand on-site renewable energy generation and procurement of renewable energy credits. Through an initiative known as EarthSmart, we engage our team members, customers and business partners to help us reduce the environmental impact of our daily business operations and operate in an increasingly sustainable way.

So, customers want innovation to help them improve the visibility and the sustainability of their supply chains. FedEx understands this and continues to innovate in these areas.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

If I could predict this one with any accuracy, I would be in a different job! I can say that our business plans call for a modest recovery in the global economy during calendar year 2010. These expectations hinge upon fuel prices trending along the current market outlook.

I can also say that any business plan we put together has the flexibility to adjust up or down to meet market conditions. While there are limits, we can add capacity if needed or we can reduce expense as well. This is a hallmark of FedEx.

Excluding yours, what company do you admire most, and why?

One of my roles for FedEx includes being the market champion for the greater Phoenix area. Every three months, I make customer calls with our local Sales team. My job is to listen to what our customers tell us they need and then take that information back to Memphis. There are 49 other FedEx officers who do the same thing around the U.S. We use this customer feedback in determining our priorities for product development and process improvement.

Many customers that I meet with fit the same mold. They have private companies with fewer than 100 employees that started with a new idea to create a customer. Many of these companies began operations in a garage or a living room. They have succeeded because they blend initiative with passion for meeting their customers' needs. These are the companies I admire.

Derek Leathers

COO

Werner Enterprises

www.werner.com

Derek J. Leathers is the C.O.O. of Werner Enterprises and the President of Werner Global Logistics. Derek has worked in the international logistics industry for nearly 20 years and was an integral part of many facets of the transportation portions of the NAFTA implementation process throughout the past two decades. Mr. Leathers has served as an advisor for two US ambassadors to Mexico as well as serving on the American Trucking Association's Cross-Border Advisory Committee for North America. Mr. Leathers was one of the first foreign members of Mexico's trucking association (CANACAR) and has successfully led the launch of multiple new logistics products in low-cost countries. Prior to joining Werner in 1999, Mr. Leathers was Vice President of Schneider National's Mexico operation, and was based out of Mexico City for several years. Most recently, he helped guide Werner's expansion into Asia.

What distinguishes your company's approach to the rebound?

I believe the difference is, and always has been, our consistency. Our customer-centered approach has been our focus in both strong and weak economies. We place an extremely high value on our customers who remained loyal during the downturn and we will continue to focus our support and commitment to those partners, across our entire scale of solutions, as all types of capacity become increasingly difficult to secure.

Describe the one most important strategy decision that you have made in the last 18 months?

We were committed to staying with our asset roots and our commitment with key customers, while at the same time continuing to expand our non-asset solutions across the globe. The base of our service offerings lies in our truckload services and we will continue our role as an industry leader. We have also benefitted from our diversification strategy with our logistics service offerings both domestically and internationally. For example, this past year we opened offices in Australia to support several clients as they expanded their operations. We provide logistics solutions domestically and internationally to these customers and have grown throughout our portfolio of services.

What is your growth strategy in the next year?

Our growth strategy moving forward will be centered around many of the same principals that have driven our growth for over 50 years ago. With our customer-centric platform, we will continue to focus on our economic performance and leverage our financial position within the industry and continue to diversify our service capabilities. I believe we will begin to see a flight to quality with carriers and asset-backed 3PL solutions as the balancing of supply and demand becomes more pronounced.

As a COO, what do you see as big challenges for your company over the next couple of years?

In my opinion, our biggest challenge will be the continuing default and shrinkage of capacity in the marketplace. Financing in our industry had been readily available in spite of inadequate returns on capital. I think this environment has fundamentally changed financing requirements and will have serious implications down the road should we see even a marginal increase in demand. With this increase in demand, another serious challenge that our industry is facing is driver resources. It has been tempered with the economic slowdown, but with current regulatory and economic conditions, this issue will be a critical focus area of Werner Enterprises.

Where do you see the biggest opportunities for 3PLs?

I think as time and the recovery progresses, the largest area of opportunity for 3PL's will be in their ability to actually execute freight movement on behalf of their customers. During this downturn, we have spent a tremendous amount of effort and focus in our logistics businesses on fostering our alliance provider relationships across all modes. In our opinion, it is more opportunistic for us to build and develop techniques for managing and executing the supply chain in ways that protect our customers during varying conditions. The 3PL that can effectively manage the process and design, and actually bring comprehensive freight movement capacity and scale will have the most opportunity moving forward.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

This is directly related to the previous question. One of the major supply chain risks that we see in the market today is the customer's or 3PL's perception that rates and commitments received during multiple bids throughout the last year and a half are going to be honored by all providers moving forward. While they might not be the most popular or easiest decisions, a 3PL's core responsibility is to manage the logistics strategy and execution with their customers and making cost cuts with a strategic filter. We continue to work with our customers in building flexibility in their supply chains while minimizing the vulnerability by sharing in the risks with our customers. There are many instances where Werner financially and physically mitigates risk exposure on behalf of our customers.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

One of the most important aspects of a 3PL is their ability to strategically interpret information and have that translate into tactical execution. Those 3PL's who are out in front competing for and securing a limited amount of resources will win. We have designed our proprietary Transportation Management Systems to manage very large volumes of transactions in a very efficient process workflow. We utilize our systems to engineer the proper load dynamics, quickly push the shipments out to the various modes and carrier bases and ultimately take responsibility of the shipment execution, both domestically and internationally.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

What we have heard from our customers, and where we are focusing our continuing application development, is in further enhancement of cross-enterprise functionality and integration between supply chain partners. Because of the effect that each node in the supply chain has on cost and service, we have had to continue to expand our value proposition by providing solutions that cross multiple departments, systems, stakeholders and geographies.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

If I had to forecast, I would say a "U shaped" type recovery.

Eric Kirchner

CEO

UTi Worldwide

www.go2uti.com

Eric Kirchner was appointed the Chief Executive Officer in January 2009. He has 28 years of experience in the transportation and logistics industry, serving previously as President of Freight Forwarding in UPS's Supply Chain Solutions division for their global freight forwarding business. Prior to that, he was President North American Forwarding and President Global Transportation Services, and served as co-integration manager and member of the UPS integration steering committee which facilitated the transition of Menlo Worldwide Forwarding. Eric came to UPS in 2004 through their acquisition of Menlo (former Emery Worldwide), where he held various executive positions up to Chief Operating Officer. During his career, Eric has directed transportation and commercial air and ocean carrier relationships and has also managed contract logistics operations. His roles in operations, sales and marketing, as well as general management, reflect his extensive experience in managing global customer relationships and overseeing acquisition integration and business process transformation. Eric holds a Bachelor's degree from Indiana University and has completed the Stanford Executive Program at Stanford University.

What distinguishes your company's approach to the rebound?

Invest in sales, product development and solutions on the revenue side while investing in centralized back office functions to lower unit costs.

Describe the one most important strategy decision that you have made in the last 18 months?

Accelerate IT development (4asONE) that will bring the efficiencies and consistency clients require.

What is your growth strategy in the next year?

Sell 'integrated solutions' that are not as commoditized as stand alone services. Focused/selective selling in taking on new business outside of our established footprint and aggressive local and regional sales that take advantage of scale and route discipline.

As a CEO, what do you see as big challenges for your company over the next couple of years?

Leading the transition from operating the company as a portfolio of companies to a high performance enterprise.

Where do you see the biggest opportunities for 3PLs?

Flawless implementation of new business, consistent execution globally, and client retention.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

A thorough and disciplines Advance Quality Planning (AQP) process which is part of a broader Quality Management System.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

Supply chain re design and optimization, people and analytics that provide for proactive recommendations to clients and the operational agility to execute on the recommendations.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Clients expect continuous improvement of service and ongoing cost reductions. Traditional quality systems have served companies well in terms of incremental improvement. Significant improvement comes through innovation, particularly in the areas of inventory velocity/reduction through supply chain design.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

I fear we are in for and L or a W.

Excluding yours, what company do you admire most, and why?

For Contract Logistics it is the large regional players. GENCO is a good example in NA. They have developed several nice niches, have technology that provides competitive advantage and provide clients with the high touch they expect. No company on a global scale has been able to do these things profitably

Eric Wolfe

Vice President & General Manager

BNSF Logistics

www.bnsflogistics.com

Eric Wolfe has held senior leadership positions with J.B. Hunt Logistics, Inc. (now part of Transplace); Cardinal Logistics, Inc.; and Clicklogistics, Inc.; where he served as Chief Operating Officer. He assumed the leadership role at BNSF Logistics after BNSF Corporation acquired specific assets from Clicklogistics, Inc., in August 2002. Mr. Wolfe holds a Bachelor of Science in Business Administration from the University of Arkansas at Fayetteville and a Master of Business Administration from TCU at Fort Worth.

What distinguishes your company's approach to the rebound?

We were very careful to protect market share and to continue to work hard on delivering exceptional service to our customers, and with the investments listed above, we believe customers will want us to grow with them as they recover from the recession.

Describe the one most important strategy decision that you have made in the last 18 months?

We made significant adjustments in our organization to better support customer demand and improve our market responsiveness. We have centralized certain operating units, while adjusting part of our domestic structure to provide more intense focus on customer service and on operating excellence. This was planned during the second half of 2008 and rolled out throughout 2009. We are seeing operating improvements in all phases of our business.

What is your growth strategy in the next year?

We have focused on certain key verticals and are segmenting these verticals and fine tuning our approach with a plan to go "downstream" to broaden our customer base. We have improved and developed four sales channels to attack these areas. We also have invested in personnel and technology to support our most rapid growth segment over the last three years and have increased that investment this year. We also continue to increase the size and expertise of our four sales channels that encompass the domestic and international business units.

As a CEO, what do you see as big challenges for your company over the next couple of years?

Restoring growth to historic levels continues to be our primary focus area. Other areas where challenges persist include the ocean rate volatility, the impact of new regulations like CSA 2010, and the ongoing issue of infrastructure investment.

Where do you see the biggest opportunities for 3PLs?

- Helping customers achieve their supply chain goals which typically evolve around cost savings, service, and fill rates.
- Working on environmental initiatives with customers, with a focus on optimizing supply chains to improve sustainability and reduce the aggregate carbon footprint.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

A 3PL can provide leadership in the following areas / ways:

- Leverage the 3PL's multi-customer experience to help define and implement best practices for a particular client.
- Help identify factors of risk, look upstream at leading indicators and develop predictive models to be used as an advanced warning system, such as providing consistent information for things like ocean lead time booking, or energy prices, or weekly domestic capacity fluctuations, etc.
- Use the risk factors and predictive models to develop mitigation plans that can eventually become part of an engagement's critical success factors or key performance indicators.
- Provide market insights beyond a particular client or industry.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

3PL's should be able to leverage a number of different sources of information to provide very accurate information on transportation markets, both capacity and costs, and to engage with customers to provide leading information on key trends, which can then be used to drive the client's strategic planning.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Customers are looking for innovation in the following areas: cost control or avoidance, capacity alternatives, data visibility and access, change leadership, and risk mitigation.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

I'm not sure any of those letters are shaped like we expect the recovery to be. I think the approximate symbol "~" maybe most appropriate, with a slight tilt upward!

Excluding yours, what company do you admire most, and why?

BNSF Logistics is now part of the Berkshire Hathaway family of companies; I have admired Berkshire Hathaway for many years because of the company's undeterred record in providing long-term value to shareholders.

Jim Eckler

President & CEO

SCI Group

www.scigroup.org

Jim Eckler is President and CEO of SCI Group Inc. SCI is the parent of three leading Canadian supply chain management services providers: Progistix-Solutions Inc., SCI Logistics Ltd. (including Assured Logistics & AMG Logistics), and First Team Transport Inc. These subsidiaries serve clients such as Bell Canada, Siemens, Xerox, Amazon.ca, Lowes, Rogers, Toys r'Us, Trane, and Canada Post. SCI is a subsidiary of Canada Post Corporation.

Jim's background includes over 35 years of experience in the supply chain management field. His business focuses on developing and operating high performing supply chain outsourcing services for companies that demand complex, high value services.

What distinguishes your company's approach to the rebound?

We believe that the market will demand even greater performance quality from their 3PLs, hence we will focus on overall operational excellence.

Describe the one most important strategy decision that you have made in the last 18 months?

Two years ago we re-launched an improved and enhanced Quality Management program designed to extract waste and non-value activity from our business and that of our clients. It's paying off.

What is your growth strategy in the next year?

As a Canadian company we tend to listen to our hockey players. Wayne Gretzky, likely Canada's greatest player, often advised his players to skate "to where the puck is going to be, not to where it is now". Our growth strategy has taken a page out of Gretzky's admonition. As a supply chain service provider, we will focus on sectors with immature supply chains rather than those that are already developed.

As a CEO, what do you see as big challenges for your company over the next couple of years?

The biggest challenge for us, as well as for others in our industry, is the commoditization of the logistics service offering. Unless we offer services that our clients can't or won't do for themselves and where our services are different from our competitors, then we are in a commodity business. We must avoid that. We need differentiated services.

Where do you see the biggest opportunities for 3PLs?

3PLs must innovate much more. This will lead to differentiation and counter the commoditization trend. Historically as an industry we have not introduced nearly enough innovations. Our industry has generally been a follower of best practices rather than a leader. At the same time, our clients are crying for innovation across their businesses and when they outsource to us, we, as an extension of their business, must equally strive for innovation.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

3PLs are by intent (and hopefully in fact) more knowledgeable about supply chain matters than their clients. As such, their expertise should be applied to all aspects of risk management. However, 3PLs can only provide this valuable support if all communication lines with clients are fully open and that clients are open to engaging their 3PL on these matters.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

The greatest value that a 3PL provides is its ability to turn a client's fixed cost to variable cost. During times of downturn and rebound, clients need the flexibility that a variable cost model can provide. This is where 3PLs can shine.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Shippers are desperate for innovation to be more competitive. As an extension to that they want exclusivity with these innovations since an innovation isn't of much use if all of their competitors can offer the same innovative capability. Historically the 3PL industry has not generated sufficient innovation for its clients. To grow, to succeed, and to increase margins, 3PLs must dramatically increase their innovation quotient. 3PLs are retained by clients as agents of change. 3PLs must live up to that expectation.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

The rebound will likely form a bumpy W shape although we are not expecting big bumps. Nevertheless, it certainly won't be smooth.

Excluding yours, what company do you admire most, and why?

I admire the 3PL that beats me the next time. Every deal is different. Every deal is important. Every deal is a message from the market.

John Pattullo

CEO

Ceva Logistics

www.cevalogistics.com

John Pattullo spent most of his early career working in supply chain management with Procter & Gamble. In 2005, John joined Exel, where he was CEO of the €6 billion EMEA division (freight forwarding and contract logistics). When Exel was acquired by Deutsche Post/ DHL, he then ran the combined Exel and DHL contract logistics business in EMEA. He became CEO of CEVA in August 2007.

What distinguishes your company's approach to the rebound?

As a young Company, CEVA has benefitted from being agile and flexible enough to adapt our business model swiftly and to make decisions quickly and appropriately. It also meant we were able to work closely with our customers through a difficult period and support their business needs by providing the same level of flexibility and partnership.

Describe the one most important strategy decision that you have made in the last 18 months?

When the economic crisis occurred, we decided to maintain balance between short and mid-term needs and decided to focus on three key priorities:

- Growth – building business capability in areas such as sector vertical teams and global account management to sustain revenue growth above market average.
- Capability – growing world class functional and operational capabilities to service our customers better and enhance the skills of our people.
- Cost reduction - delivering significant cost savings through a well orchestrated, centrally led program to offset reduced volumes and contain cost.

This approach worked well: our revenue performance was one of the best in our peer group and this approach enabled us to adapt to challenging times and be ready to exploit any upswing as soon as it occurred.

What is your growth strategy in the next year?

In 2010, our key areas of focus include:

- Our Century Program: This is our key account program for 100 global customers who represent over 50% of our total business. In 2010 we aim to increase our share of activity with these customers through further leveraging our entire service portfolio and global presence.
- Ocean freight: CEVA has outperformed its peers and the market in recent years in terms of growth, but is still a relatively small player in this market. Our aim is to firmly establish our global ocean product and accelerate growth rates.
- The consumer and technology CL sectors: presents a strong opportunity for CEVA as the consumer sector is the largest outsourced supply chain segment globally and technology is one of the fastest growing sectors with generally above average margins.
- Sustainable cost improvements: our aim is to build on the success of our cost saving program in 2009 and deliver substantial and sustainable incremental cost improvements in 2010.

As a CEO, what do you see as big challenges for your company over the next couple of years?

We are committed to becoming the most admired company in the industry. To achieve this we will need to do an even better job of attracting and retaining top talent. Good people will always be in demand and I see winning this battle for talent as one of our greatest challenges. A key part of this, of course, is growing our existing talented employees to the maximum of their potential and internal training and development activity will be crucial.

Where do you see the biggest opportunities for 3PLs?

I see the greatest opportunity in three areas;

1. To provide integrated contract logistics and freight management services across the length of the supply chain creating economies of scope for customers.
2. To put operations excellence at the heart of everything we do.
3. To improve the level of innovation in our industry.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

3PL providers, such as CEVA, are uniquely positioned to help their customers understand risk. We have an end-to-end view of the supply chain and this means we are able to view the supply chain in its entirety and not in silos. This integrated perspective makes it easier to spot potential risks, adapt processes to resolve them and exploit efficiencies.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

The key areas, where the 3PL can provide support include:

- Greater visibility of flows to help manage severe demand variability
- Adaptability to manage and mitigate disruption.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Our customers do not have a generally positive view of our industry and one of the regular criticisms is the lack of innovation. In my opinion, to start to see innovation in logistics, we need customer confidence in the industry; 3PL's willing to invest in R&D and greater industry education and professionalism. Then there are some basics that must also be in place –we must be delivering operational excellence at all times, supported by strong partnerships with customers including a high degree of responsiveness. Only then will innovation become part of our daily vocabulary.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

Given we have operations in over 170 countries worldwide, it is virtually impossible to provide a "one size fits all" view and I am not good with mathematical shapes!! I would say that we believe that we have reached the worst point and it is likely that, over the next year or so, we will see slow and steady improvements.

Excluding yours, what company do you admire most, and why?

There is no one single company. I can think of five or six examples of companies who do one or two things really well but I struggle to think of a "paragon" company where I admire everything. In fact this is the trick of benchmarking to learn the best practices from others without necessarily copying everything.

Leo Suggs

Chairman of the Board and CEO

Greatwide Logistics

www.greatwide.com

Leo Suggs joined Greatwide in 2009 as chairman of the board and assumed CEO responsibilities in 2010. He has devoted nearly 50 years of his life to the trucking industry, beginning his career as a warehouseman while in college. Over the last two decades, he has held executive leadership positions with some of the industry's most prominent companies, including Overnite Transportation, Preston Trucking, Yellow Freight and Ryder/PIE.

What distinguishes your company's approach to the rebound?

We are well-positioned for the rebound in an industry that has been hit hard by the recession. Greatwide Logistics Services is a financially stable company with a strong cash position on the balance sheet enabling organic growth and acquisitions.

Describe the one most important strategy decision that you have made in the last 18 months?

In November 2009, we acquired YRC Logistics' Dedicated Contract Carriage division. It was a tuck-in acquisition that expanded both our participation in the food industry and added new product offerings to our portfolio in the industrial and automotive industries.

What is your growth strategy in the next year?

We plan to focus on growing our existing customer relationships by continuing to provide them with outstanding service and value, as well as new product offerings. We have also expanded our sales force with more resources focused on mid-sized companies and continue to look for opportunistic acquisitions.

As a CEO, what do you see as big challenges for your company over the next couple of years?

By far the biggest challenge is the economy. The potential for tightening of capacity and driver resources compounded by the effects of CSA 2010 are also challenges facing our company and our industry.

Where do you see the biggest opportunities for 3PLs?

A 3PL with a comprehensive offering can provide opportunities unique to customers both large and small. For example, larger customers need flexibility to handle peak periods without idling assets when volumes are lower. A 3PL like Greatwide is able to handle this surge capacity. Additionally, a cost structure like ours provides an economical alternative. Plus, bundling services can create solutions that are not available from traditional providers.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

One example of risk mitigation is the conversion of private fleets. A company may not readily recognize the liability risk of vehicle accidents and injuries until it is too late. By using a 3PL, you eliminate this risk to your company. Additionally, private fleets are a large capital expense that requires a substantial amount of cash. Greatwide can help customer mitigate that financial risk.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

Technology is a key component of a 3PL's value proposition. For a company like Greatwide, we can use technology and our 24/7/365 Transportation Operations Center to provide visibility of all resources and cross-utilize fleets to create lane balance and elasticity.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

In today's economy, most customers are seeking to increase services (in terms of reducing inventory at a low cost). We think Greatwide has developed a process that better meets this need by creating real-time visibility of our entire fleet, which helps to lower customer cost by providing backhauls in dedicated lanes and the integration of our customers' network.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

I would have to say that I predict a shape between an "L" and a "U." I don't believe there is any basis in the economy for a fast uptick, but I do believe we have hit the bottom of the downturn and will slowly and steadily move upward.

Excluding yours, what company do you admire most, and why?

There are a lot of great companies today. Greatwide has traditionally had a presence in the grocery industry and we've seen the industry come a long way in the last few years. One that I admire in this industry is Walmart. They have developed a model that has enabled them to become the world's largest retailer and, in the process, minimized the bureaucracy that is often prevalent in large corporations. Walmart has also expanded their product lines and services while maintaining low prices. Their innovation has driven industry trends.

Rolf Habben-Jansen

CEO

Damco

www.damco.com

Rolf Habben-Jansen is the CEO of Damco since 1 January 2009. He is responsible for all of the global activities of Damco, based in Copenhagen. Damco is the new, combined brand of the A.P. Moller-Maersk Group's logistics activities, currently known as Maersk Logistics and Damco. A division of the A P Moeller- Maersk group, Maersk Logistics has more than 12,000 employees in 90 countries around the world, offering third-party logistics and (through the Damco brand) freight forwarding services.

Before joining Maersk Logistics at the beginning of 2009, Dutch national Rolf Habben-Jansen was CEO of DHL Global Customer Solutions, just one of the positions he held in a long career at DHL (including acquired companies).

What distinguishes your company's approach to the rebound?

We have reacted fast last year in taking out cost/ simplifying the organization and as such we are probably one of the few larger companies in the sector that have delivered better results in 2009 as in 2008. Our approach had two phases(1: Take out cost (Nov 08-Apr 09) and 2: return to growth / from May onwards), and because of this we managed to return the majority of our products to growth as from Q3/ early Q4 – and our volume development in both Airfreight and Oceanfreight was better than the market in 2009.

Describe the one most important strategy decision that you have made in the last 18 months?

Be decisive to take out cost and simplify the organization (ie remove 1-2 layers of management, go to one brand etc).

What is your growth strategy in the next year?

We will continue to build on our strong position in the emerging markets and will make investments in selected market segments where we believe we can grow significantly (ao Reefer, Government services, Airfreight).

As a CEO, what do you see as big challenges for your company over the next couple of years?

- To maintain the sense of urgency/ performance drive we had in 2009 to continuously improve and grow our business
- Become more innovative and introduce new services/ enter new segments in a controlled way every year
- Continue to improve customer satisfaction, quality and productivity during a period of fairly rapid growth

Where do you see the biggest opportunities for 3PLs?

1. In the Emerging Markets
2. In helping optimizing our customers' supply chains
   - Between modes of transport
   - Between carriers/ providers
   - Moving activities between destination/ origin
   - Reduce capital tied up in supply chain, reduce warehousing)
   - Sustainability

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

The 3PLs need to offer choices, alternatives and flexibility (at origin, in transit, at destination) beyond what individual carriers can offer.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

- In times of space constraints and rising prices making conscious choices on what and how to ship when and where are critical to control costs
- This requires a partner/ 3PL that knows the market, offers options and can provide the required visibility to make those choices

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

There are 2 sides to this coin and this to me is a signal of a not very mature market:

- If shippers only contract for a few months there is no/ hardly any room for innovation
- In those cases where we find better agreements and genuinely focus on developing win-win relationships we typically see more innovation/ higher degree of satisfaction with our customers on this

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

This is very difficult to say, but at the moment I would probably expect a strong first 6 months in 2010 with a softer 2nd half (mainly because some of the fundamentals are still not fixed). In 2011-2012 I expect moderate growth.

Excluding yours, what company do you admire most, and why?

Probably K&N and/ or Expeditors because they have been very successful and consistent in executing and delivering on their strategy.

Cliff Otto

President

Saddle Creek Corp

www.saddlecrk.com

As president of Saddle Creek Corp., Cliff Otto is responsible for directing the 3PL's integrated logistics operations, including warehousing, transportation and contract packaging. Prior to joining Saddle Creek, Otto spent 11 years with CHEP USA, most recently as senior vice president for North American sales. He also has served in various executive management positions in logistics and finance with Baxter Healthcare and American Can Co. Otto has held leadership roles with various grocery industry associations and the Council of Logistics Management (CLM), served as the national president of the Warehousing Education and Research Council (WERC) and currently serves as vice president, agency relations, for the American Logistics Aid Network (ALAN).

What distinguishes your company's approach to the rebound?

Fortunately, Saddle Creek performed quite well through the downturn, so we'll maintain a consistent approach through the rebound. We'll stay focused on delivering excellent service to our customers and secure the necessary resources, both human and physical, to handle an uptick in volume. We'll also ensure that we have the right resources in place to aggressively pursue emerging opportunities.

Describe the one most important strategy decision that you have made in the last 18 months?

Our recent acquisition of California-based ServiceCraft Logistics was a key step for Saddle Creek, enabling us to expand our geographic reach and customer portfolio. It reflects our strategic focus on bringing our integrated logistics solutions to new markets and providing enhanced coverage and service options.

What is your growth strategy in the next year?

We'll continue to focus on organic growth by proactively bringing innovative ideas to our customers and also sharing the value of our integrated solution with new prospects. We'll also look selectively at acquisition opportunities that complement our strategic offering.

As a CEO, what do you see as big challenges for your company over the next couple of years?

As we continue to grow, we must sustain our unique culture with its focus on top-to-top involvement and collaboration. It is a key point of differentiation for us. We'll also focus on expanding brand recognition and communicating our unique value proposition to the industry.

Where do you see the biggest opportunities for 3PLs?

3PLs are well positioned to help companies manage through the rebound by providing the expertise and assets to allow them to stay lean and flexible.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

An experienced 3PL can provide insights into strategies and markets, increasing its customers' risk awareness while allowing them to focus on their core competencies. An asset-based 3PL further alleviates pressure by actually assuming some of the risk.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

Flexibility is key. 3PLs have the ability to access and analyze information and then respond quickly to trends, both positive and negative. Integration is also critical. Strong third-party logistics providers are more than just the sum of their parts. They go beyond just transportation or warehousing and really tie in to the whole operation. 3PL partners can see the complete picture and better react to it.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Customers are looking for help in managing costs while improving service to their customers. This is not new phenomenon, but it does become magnified during turbulent times.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

We are planning for a U-shaped rebound while putting controls in place to guard against a W. We are communicating frequently with our elected officials at all levels about the need for policies that support growth.

Excluding yours, what company do you admire most, and why?

We always respect companies that are able to prosper while behaving ethically and doing "the right thing" with customers, suppliers, associates and shareholders.

Geoffrey Bennett

President and CEO

Kelron Logistics

www.kelron.com

In 1976 while attending Montreal's Concordia University, Geoffrey co-founded a courier company. The company under his direction grew to be recognized as on of the top couriers in that market before selling 10 years later to Dynamex Express where he rose to the position of Director of Operations, responsible for 10 business units and 800 drivers. He followed this up with a senior role at Sketchley Cleaners, where he was responsible for the operation of 17 plants and 160 stores. In 1992 Geoffrey co-founded Kelron which 18 years later generates over $100 million in annual revenues, employing over 125 people in three transportation operations and execution facilities. Geoffrey has also been active in industry affairs for many years as an Executive Director of the National Transportation Brokers Association.

What distinguishes your company's approach to the rebound?

We're focused on the further augmentation of existing significant customer relationships or on adding new relationships where we can add real value to the customer's transportation activities. We are focused in a couple of areas. First we are looking for relationships with customers where their history has shown that they value long-term suppliers and the improvements in performance they can bring beyond transportation cost alone. We're adding strength to our sales team, investing in developing a higher level of sales management competency. Another big area we are focused on is improving our labour efficiency while maintaining high performance in our execution processes allowing us to pass our internal cost savings along to our customers.

Describe the one most important strategy decision that you have made in the last 18 months?

Significantly increasing our investment in technology to reduce our execution costs while maintaining or improving on our external metrics.

What is your growth strategy in the next year?

Adding additional competency to our service offering to allow us to sell more services to our existing as well as new customers and to add new regional capability to our network of execution locations.

As a CEO, what do you see as big challenges for your company over the next couple of years?

In the part of our business where we function as an intermediary I see continuing margin compression pressure over the next 6 – 12 months as carriers start to increase rates while customers are resistant to accepting them. This will be followed by a return thereafter to a tight capacity market as volume increases. This will be highlighted by significant upward rate pressure, a necessity to allow carriers reasonable financial returns on their required investments in new equipment, while adding the new drivers required to operate the equipment.

Where do you see the biggest opportunities for 3PLs?

In tight capacity times we are capacity finders and efficiency creators. In more normal markets we benefit our customers by aggregating capacity and helping customers to remove the barriers within their organizations to supply chain efficiency.

It seems that all major companies are trying to better understand supply chain risks and strategies for mitigating risks. How can a 3PL provide its customers with greater awareness of risks and the means for their mitigation?

3PL's in many cases are more focused on having a rigorous contracting and claims management process and a higher level of risk management expertise than their customers. We are sponsoring sessions with transportation legal experts to help our customers follow a step-by-step process to evaluate their individual supply chain risks and, with our support, address the particularly onerous issues.

What are significant value generators that 3PLs' services and IT capabilities provide that may be especially magnified during economic downturns and the start of rebounds?

We offer the benefit of an outsourced solution with the investment in technology (software and people knowledge) required to reduce total cost of their supply chain included without additional fees but with the expertise to rapidly and economically implement the solution.

Our recent market survey found that shippers as a whole are not satisfied with their LSPs innovation. In what areas are customers seeking innovation?

Helping them to identify areas within their organization to reduce complexity and cost and provide leadership in developing green solutions.

What shape do you expect the rebound to take [V, W, U, L, √ ('square-root' shaped)]?

Square-root shaped.

Excluding yours, what company do you admire most, and why?

In our space one of the competitors we benchmark against is CH Robinson. They have been able to continue to grow profits while maintaining reasonably aggressive pricing. They also have maintained a solid growth rate, much of which appears to be organic.

About eyefortransport

Established in 1998, eyefortransport has become one of the leading providers of business intelligence, independent research, news and executive level events for the supply chain & logistics industries. eyefortransport has two primary focuses.

1) To provide executive networking opportunities in the supply chain & logistics industries via the more than 15 events we annually organize and host in North America, Europe and Asia and online via the tens of thousands of users of www.eft.com. The events are designed to compliment and enhance the business connections available through our online network, and bring together the industry elite. Regularly attended by CEOs and senior management from the transport and logistics industry and Heads of Supply Chain of major companies, the events focus on current developments and latest trends, and are enhanced by high level, exclusive networking opportunities.

2) To deliver industry education through dozens of industry reports, surveys, newsletters, webinars and senior-level presentations at leading events.

For the list of current research, news and conferences we produce please visit **www.eft.com**

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There's no better place to meet them, hear their latest insights and delve into the industry's biggest challenges than the

8th European 3PL Summit & Chief Supply Chain Officer Forum

24-25 November, 2010 – The Conrad, Brussels

The Europe's largest event for 3PL Providers & Users – Build the relationships that will accelerate your growth in the economic upturn

The 3PL Summit will reveal how you can adapt your business to meet the requirements of the economic rebound, drive renewed growth and gain market share.

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And, learn how the heads of European supply chains are driving their companies towards recovery with the latest supply chain management strategies and innovations in the co-located Chief Supply Chain Officer Forum.

Book your place alongside these industry thought leaders:

3PL Summit Speakers:

John Pattullo, *CEO* of **CEVA**

Monika Ribar, *CEO* of **Panalpina**

Rolf Habben-Jansen, *CEO* of **Damco**

Beat Simon, *CEO* Europe of **Agility**

Rudi Roex, *CEO* of **Ewals**

Wolfgang Niessner, *CEO* of **Gebrüder Weiss**

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Christian Leysen, *Chairman* of **Ahlers**

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Ulf Harring, *Head of Supply Chain* of **Electrolux**

Jaro Caban, *Group Supply Chain Director* of **AROVIT Petfood**

Laurence Coudry, *European Distribution Orgaization Supply Chain Director* of **Johnson & Johnson**

Johannes van Osta, *General Manager Group Transport & Logistics* of **JCB Excavators**

Kris Van Ransbeek, *Vice President Product Supply & Ingredients Business Europe* of **Chiquita**

Tjebbe Smit, *Vice President Manufacturing & Logistics* of **Oce Technologies**

Neil Spickett, *Group Logistics Director, Eastern Europe* of **Carlsburg Breweries**

David Picton, *Supply Chain Operations Director* of **BskyB**

Lars Kjærbølling, *Director, Strategic Projects - Global Distribution Logistics* of **LEGO System A/S**

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Or contact Katharine O'Reilly on +44 (0)207 375 7207 or koreilly@eft.com with any questions or for more information