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CLIMATE CONTROL:

Averitt Forms Specialized LTL Service

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Averitt Express Changes the Game with Climate Controlled LTL

By Kelsey Nolan

This Tennessee company offers more than just refrigerated trailers through a new climate controlled less-than-truckload service — allowing customers to securely ship temperature-sensitive cargo right alongside dry goods.

Averitt Express has recently launched an industry first: self-powered climate controlled less-than-truckload (LTL) units that can keep freight either cold or hot. While refrigerated trailers have long been an option for truckload shipments, this is the first option available to mix both temperature controlled and dry good shipments on the same trailer using this type of shipping unit.

According to Phil Pierce, executive vice president of sales and marketing for Averitt, which is headquartered in Cookeville, Tenn., the most common option that currently exists for climate controlled LTL transportation is an exclusive truck





Averitt's new climate controlled units can range from -10 to 140° Celsius and can be monitored, tracked, and adjusted by customers per their freight needs.

After Averitt discovered Climate Controlled Containers Inc. through a local media report, Pierce and a few other decision makers traveled to Port Arthur, Texas, home of the manufacturers of the climate controlled units, to find out more about the systems. Pierce notes, "We didn't know them and they didn't know us, but what came out of those initial conversations was that we could maybe revolutionize the market in certain verticals."

How It Works

Using the units from Climate Controlled Containers to transport LTL shipments is a completely different model than what is currently available in the marketplace. Today's most common approach is for providers to pack LTL shipments in dry ice to cool the units. Unfortunately, this limits what providers can transport and has other operational, economic and environmental drawbacks.

Instead, Averitt's self-powered units are battery operated, which is quite the departure from using dry ice. Chuck Odom, vice president of sales for global development at Averitt, explains, "Every hour a customer uses the dry ice unit, it burns about

three-and-a-half pounds of dry ice. So if you have a 100-hour journey, you need 350 pounds of dry ice. Ours burns none."

After charging the battery for about eight hours, the units can run for up to 150 hours. This helps guarantee a set temperature for customers from departure to arrival. And not only do these units cool cargo, they can also warm up or simply keep cargo at room temperature despite the frigid cold or unrelenting heat outside. This is good news, in particular, for companies transporting goods such as pharmaceuticals, chemicals, medical supplies and technology, which often need to remain at a neutral temperature. The units can also handle hazardous materials.

These containers can range anywhere from -10 to 140 de-

service. While Averitt's climate controlled LTL service is considered a premium option, it is less costly than the exclusive truck mode. Plus, Averitt's model goes beyond refrigeration, allowing for a range of climate controlled options.

Pierce says that Averitt had been in conversations about starting a temperature controlled LTL service since the early '90s, but until recently, every product researched presented some sort of weakness. The company was already providing temperature controlled truckload services, along with warehousing, international, intermodal and its well-known dry goods LTL services. However, Averitt wanted to extend its climate controlled offering beyond truckload into the LTL market. The market need for such a service was clear.

grees Celsius, depending on the shipper's needs. "We just came out of the worst winter in a decade and customers were calling left and right asking if we could keep their freight heated," Odom says. "We had a lot of requests to keep things moving."

Because the climate controlled units are set at a predetermined temperature, it takes the guesswork out of guaranteeing cargo in bad weather. "It takes the gray area out of your distribution practice, especially for the pharmaceutical companies," Odom says. "Those types of companies really like this service."

Brad Brown, Averitt's marketing and communications manager, says that environmental responsibility has also been a positive result from the transition to these units. "We're hearing from more customers who are interested in what we're doing to be environmentally responsible. This is one of several ways Averitt is demonstrating vision and leadership in that area," he adds.

Pricing for the service varies depending on the type of freight, length of transit and level of security measures.

Before Averitt launched the climate controlled LTL units in February, it did extensive testing on the product to make sure it was the right fit. For eight months prior to the rollout, Averitt officials thoroughly tested the units to make sure they were durable and suitable for the company's needs. "We moved the units around our system, beat them up, then we had our VP of operations and his team make some improvements to the design to ensure maximum durability," Odom says.

During this time, the company closely studied the vertical markets where this service could have the biggest impact. Some of those markets include health care, biotech, pharmaceutical, chemicals, technology and medical devices.

On top of the company testing, Odom explains that Averitt had a few select customers run trials with the units. The customers put them on their docks and even had Department of Transportation officials inspect them. He says that meeting Averitt's pharmaceutical customers' quality control checks was perhaps one of the most important prerequisites to launching this service.



The maintenance of these temperature controlled units is performed in-house at shops throughout Averitt's distribution network.

Due to the sensitive cargo and the necessary security, Averitt's operations team treats each temperature controlled unit with special care.

A Secure Service

Averitt is treating each customer who presents a need for climate controlled freight transportation with extra care. Pierce explains that this service is executed more like an expedited service, complete with standard operating procedures for its operations team. Because this cargo is often of high value and requires tight security, Averitt can put on additional security to each unit upon request. "If you put 1,000 iPads in the unit, you're going to get 1,000 out," Odom says.

The customer is directly involved in each aspect of the freight transit with these containers. Customers can even require that the units are cleaned with specific products, for example. Clients can also set and control the temperature remotely, and monitor it along with the humidity, the outside temperature, how fast the truck is going and where it is, and that the truck and the freight are

both in compliance at all times.

Because of the customized security, staying compliant with a temperature controlled unit varies case by case. However, Pierce says that Averitt has a team working 24 hours a day, seven days a week so that if a shipment goes out of compliance, the group can actively recover it during the journey.

Brown explains that Averitt's operational technology proves helpful for the customer. If something were to change with the shipper's requirements for the freight, Averitt's operations leadership can instantly alert the driver using

on-board Qualcomm computers available in every truck to prevent any disruptions to the service. "We have great infrastructure to communicate with the driver about any necessary adjustments, should the need arise," he says.

Even the maintenance for these units gets the red carpet service. The maintenance is performed in-house at shops throughout Averitt's distribution network.

These technicians already handle the maintenance for Averitt's

BY THE NUMBERS

AVERITT CLIMATE-CONTROLLED UNITS

- Size: 40"x48"x60"
- Payload: up to 2,000 lbs.
- Temp. Range: -10 to 140° Celsius
- Battery Life: 150 hours

AVERITT EXPRESS OPERATIONS

- Number of Service Centers: 85
- Tractors: 4,000
- Trailers: 12,000
- Drivers: 4,000



Averitt Express, headquartered in Cookeville, Tenn., is training drivers on the new service to ensure that all drivers understand the security protocols with these units.

tractor and trailer fleet, so it made sense that they would also handle the necessary maintenance for the climate controlled units.

Best Practices

With the launch of any new product, companies must establish standard operating procedures, and Averitt has been working hard to create these for its operational leadership. Every new customer request or requirement gives Averitt another item to add to its operational protocols so it can accommodate every type of cargo.

Additionally, along with training across other company services, Brown explains that drivers are educated on their role in transporting these units. Just like with dry LTL freight, drivers do not have much involvement with actually handling the units.

"The training we do relates more to security and the process that the driver would need to follow should there be an issue, such as the battery getting low or the temperature changing," he says. "If that happens, the customer and Averitt's operations leadership are automatically updated. From there, if necessary, the driver will be notified about next steps."

Averitt's ability to provide quality care and information with this service is closely related to its own operational technology. As mentioned, Averitt uses Qualcomm units, which are in every truck along with a GPS system.

Aside from the loading and unloading of the freight, the entire customer service process is centralized. Because of this centralization, the dedicated customer service team is able to remotely monitor and control these units and ensure their safe and timely arrival.

Expectations vs. Reality

Pierce says that ever since Averitt began considering the climate controlled service, they have been studying and evaluating their offering, making sure they keep the target customers happy.

The difficult part of rolling out a new product like this,



Chuck Odom, vice president of sales for global development



Phil Pierce, executive vice president of sales and marketing

Pierce explains, is convincing customers that they're going to get a reliable service. He says that this product is not for everyday temperature-controlled frozen foods, but more of a high-end vertical that has to have certification and meet government regulations.

According to Odom, the entire process of developing a strong provider-customer relationship with this service is far more consultative and takes longer to iron out with each customer than other types of traditional services. Rather than just providing a rate for a customer's freight, he says, Averitt has to go through a validation process with customers in the biotech, pharmaceutical and medical fields to ensure security, satisfaction and compliance.

Pierce says that Averitt has seen an overwhelming customer response from the rollout of the climate controlled service. For example, customers love that the units can be programmed to alert as many people as necessary.

Plus, the company is getting quotes every day from all over the country and North America. Shipping climate controlled products is a niche service. Odom explains that identifying the industries with the most potential is key to the future success of the service.

"We know some of the verticals," Odom says. "For example, transporting vaccines has huge potential." With the growth of the health care market, he explains, seven of the next 10 vaccines require climate control during transport. And with the beginning of vaccine season, which runs from June to October, Averitt is hoping to bring in a lot of that business.

"We're confident other industries will identify themselves, raise their hand and say 'We love this,'" Odom says.

The company is also working to educate its sales team about this new service. Odom says it's a continuous training process for everyone in the company.

Pride in Service

Averitt has been moving forward with a number of other advancements as well. The company has rolled out the industry's first 100% mobile-friendly website, and will soon launch e-notifications to automatically alert customers to changes in the delivery status of a shipment.

The company has also received the LTL Regional Carrier of the Year Award from Walmart for the third year in a row — a testament to the quality of service Averitt provides.

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