



# Point to Point

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Logistics insights provided to you by **AVERITT**

## SHIPPERS AND THE PANDEMIC DILEMMA

The first half of 2020 was one of the most challenging periods in modern history for communities and shippers. While planning for supply chain disruptions has always been a standard practice for shippers, it is fair to say that no one could have anticipated the dilemmas that came as a result of the COVID-19 pandemic. Preparing for such a natural disaster on a national level, let alone a global stage, was essentially more of a science fiction myth than an emergency boardroom discussion.

In July, we surveyed more than 800 shippers in our 2020 Midyear Supply Chain Survey. Participants were asked a series of questions regarding the challenges they faced with various modes of transportation and links within their supply chain. The results from the survey illustrate the depth of disruptions that shippers experienced as a direct consequence of the pandemic.

Though transportation challenges had an impact on supply chains, it was ultimately the economic fallout from the pandemic

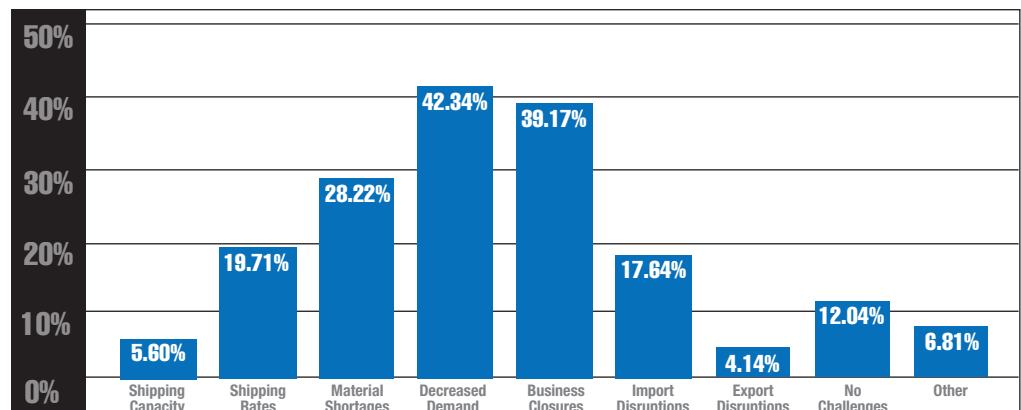
that weighed most heavily on the minds of shippers. When we asked respondents what their biggest supply chain challenges were in the first half of the year, the top two issues were a decline in customer demand (42.34%) and mandated closures and stay-at-home orders (39.17%).

### MEETING THE CHALLENGES

The third-highest-ranked challenge by shippers was shortages of supplies and materials (28.22%). Lending to this issue was the fact that many foreign origins of imports were temporarily shut down as nations tackled the pandemic.

In the following sections, we will review additional results and draw comparisons with current freight market conditions. More important, we will explore stories from three shippers that adapted to meet the crisis head-on through unique approaches and supply chain transformations. **PtoP**

## What were your biggest supply chain challenges in the first half of 2020?



# YUKON OUTFITTERS: PIVOTING IN A PANDEMIC



**It would be fair to say that Yukon Outfitters has always had a knack for “adaptation.” For proof, you don’t have to look any further than the story of how the company got its start.**

Back in 2009, the company’s president and co-founder, Preston Powell, was working in Hong Kong when his employer refused to pay him an earned sales commission. Amused by Powell’s plan to leave and go into business for himself, his then-boss said, “it would take a man on a mission to build what I’ve built.” The very next day saw the creation of The MOAM (Man on a Mission) Group, which serves as Yukon’s parent company.

A leading manufacturer of top-quality sporting and camping equipment, Yukon Outfitters supplies major retailers throughout the Southeast, in addition to having a robust online presence. What truly sets Yukon apart, however, is the fact that many of those products are made right here in the USA.

Back in 2014, Powell moved what was then primarily an import-only business from North Carolina to the small town of Alamo, in west Tennessee. In their new cut-and-sew facility, which had previously served as a children’s garment factory, the team began producing hammocks, sleeping bags, backpacks and more. Before long, the Yukon Outfitters brand was in more than 14,000 stores throughout the U.S. and Canada and had a presence in 13 different countries.

## A PANDEMIC THREAT TO BUSINESS AS USUAL

The company was growing, and its future looked bright. Then came 2020, and with it, COVID-19.

“We started to see ripples in our customer base in mid-March,” says Powell. “At that time, most folks in the Southeast thought of the pandemic as more of a ‘big Northern city’ problem.” But that changed in a hurry.

“We had truckloads of hammocks that were supposed to ship out to national sporting goods and hunting retailers. And within 36 hours, every one of them either canceled their POs (purchase orders) or chose to ‘indefinitely pause’ their shipments.”

As the cancellations piled up, the first priority for Powell and his management team was the 27 people on the factory floor who now had no orders to fill. How could they keep them working?

## WHEN CIRCUMSTANCES CHANGE, MAKE A PIVOT

After discussing it internally, they realized that what had not emerged yet in those early days of the pandemic was a reusable face mask solution. (If you think back to those early days of panic-buying and empty store shelves, face masks were simply not to be found anywhere, at any price.)

As a cut-and-sew operation with a highly skilled workforce, Yukon Outfitters had all the tools it needed to find a solution.

The next hurdle was identifying the proper fabric. After a little digging, Powell found a white paper published by the Centers for Disease Control and Prevention back in 2004 in response to the SARS epidemic going on in China. The paper outlined basic measures for face coverings and said that in the absence of a true medical-grade mask, a poly/cotton-type material with a tight weave was a suitable option.

But where to find the material? Well, as luck would have it, the company was sitting on roughly 60,000 yards of high-quality T-shirt fabric that had come with the building it purchased six years earlier.

Powell laughs when he recalls how many times over the course of that six years he had to fight to keep his team from throwing the fabric away. “It was quality fabric. Good, beefy material. A lot of those mills aren’t even open in this country anymore. That’s why I didn’t want to get rid of it.”

His team pulled the hammocks and backpacks from the line, unrolled what seemed like miles of fabric, and started making face masks.

## FULFILLING A SUDDEN AND GROWING NEED

The first samples went to retailers – the company’s normal customer base. But at that time, many of them didn’t see the need. “They were like, ‘Is this something I have to worry about?’” Powell says.

Another approach was necessary to ensure his team would keep working.

A small portion of Yukon’s business over the years had come from producing promotional materials for a wide range of businesses – everything from oil and gas companies, to power utilities, tire manufacturers, and more.

“We dusted off those old addresses and sent some samples out,” Powell says. The response was immediate. “Early on, they understood the need to keep both their customers and their employees protected.”

An existing customer provided another outlet. For several years, Yukon had been printing and sewing headbands for a popular sportswear brand in Cincinnati. As a result, there was a wide range of popular and attractive patterns and designs on file. Applying those patterns to face masks seemed like a natural next step. “We tried it, and the customer’s printed mask sales went through the roof,” Powell says.

Within a span of 72 hours, the company had two different mask lines in production – one for industrial use, and one geared more for fashion. The first week, Powell and his team were excited to do 700 pieces a day. Within two weeks, they were producing close to 7,500 a day.

This ability to quickly pivot and produce a much-needed product didn’t go unnoticed. On a conference call with several Southeastern governors and their emergency response teams, Yukon was among those companies recognized as the 20 most capable sewing manufacturers in the country.

“For our little factory in Alamo TN to be recognized not only as someone who could deliver, but also move so quickly, it really

allowed us to punch above our weight in terms of output and production efficiency,” says Powell.

## AS A RESULT ...

Since the beginning of the pandemic, many companies, including Averitt, have been able to provide their associates with face masks thanks to the team at Yukon Outfitters.

In all, Yukon Outfitters produced over 568,000 sewn, reusable face masks in just 63 days.

Best of all, a situation that began with concern over how to keep its current staff of 27 employed quickly turned into the need to bring on additional staff. “We ended up adding six more people. I would’ve added 20 if I could’ve found them. But you can find more professional quarterbacks than you can qualified sewers in this country.”

Through it all, the focus on people over profits has remained consistent. Not only did Yukon Outfitters price its masks to cover the bare minimum of materials and labor, but the company also donated masks throughout the community, including to schools and nursing homes.

## WITH THE HELP OF A STRONG TRANSPORTATION PARTNERSHIP

As with many growing brands, Yukon Outfitters eventually found itself in a position to drastically increase its sales and production for its outdoor gear. Meeting the demand, however, would require a renewed focus on its supply chain.

“We’d done a little LTL with Averitt over the years, but in 2014 we had a huge opportunity with a brand-new customer. We brought three containers of product through the Port of Memphis,” Powell says. “We basically had to figure out how we were going to drop-ship to 15 different stores on a weekly basis. So we called in three different trucking reps.

“One left his business card. Another sent pizza to the warehouse. But Doug Granito from Averitt rolled up his sleeves and helped us unload those trailers. He stayed until the job was done, and in the process helped show us better ways to achieve the results we were after. That showed me that Averitt has a culture similar to ours, understanding the need to get things done. It’s not often you find a company that shares your values like that. Especially in the transportation industry.”

## KEEPING UP WITH RETAIL DEMAND

Meeting the supply chain demands of a growing business, Yukon Outfitters relies on a variety of transportation services.

With shipments of products and materials arriving at the Port of Houston every month, Averitt drays numerous containers to its Distribution and Fulfillment Center in Austin, TX. From there, products are sorted and checked for quality before being distributed to numerous locations throughout Texas and beyond.

To improve efficiency and reduce overall transportation costs, Averitt uses return containers to make deliveries to Yukon Outfitters’ customer locations heading back to the port. At the same time, Averitt can ramp up LTL and full-load services to meet seasonal and sudden consumer demands.

Using Averitt’s warehouse management system, Yukon Outfitters also has access to around-the-clock inventory visibility and shipment management.

Since 2014, the relationship between Yukon Outfitters and Averitt has only strengthened, and the future for both partners continues to look bright.

“As a business, if you’re not willing to be nimble, quick and decisive, then you’re not going to be around,” says Powell. It’s a lesson Yukon Outfitters has taken very much to heart. **PtoP**



# THE LONG & WINDING ROAD AHEAD

## ARE SHIPPERS OUT OF THE WOODS WITH GROUND TRANSPORTATION?

POINT  
3

In the early part of 2020, many businesses across the globe were temporarily shut down due to local mandates and precautionary measures. As a result, sales across many different industries significantly slowed. Additionally, many shippers that depended on imported raw materials and products were forced into a state of supply chain limbo as manufacturing economies such as China shut down for weeks at a time.

A lack of consumer demand resulted in fewer shipments, while import challenges prevented others from meeting consumer demand. As a result, LTL and truckload capacity reached all-time highs, forcing many carriers to temporarily furlough drivers. In the same breath, several carriers chose to close their doors permanently.

By July, the nation was increasingly adapting to the crisis and supply chains were picking up more steam. When we asked shippers whether they predicted an increase in LTL shipping volumes in the second half of the year compared with the first, only 11.07% foresaw a decrease. Significantly, 61.43% of shippers predicted an increase. At the same time, 26.89% of shippers surveyed expected no change in their shipping volumes.

When it came to expectations for truckload volumes, only 9.85% of the shippers surveyed expected a decrease compared with 34.79% that predicted an increase in the last half of 2020. Out of those surveyed, 39.17% did not foresee any changes in their full-load volumes.

Recent data and reports from market analysts back up the positive outlook seen by many shippers. At the same

time, freight congestion along the West Coast and pent-up demand across the country has created challenging conditions for many LTL and truckload shippers.

Capacity out of high-volume import areas, such as Los Angeles and Long Beach, has led to transit delays for many shippers using LTL and truckload services. Additionally, the demand has created challenges within the intermodal markets out of the West Coast that feed freight into the rest of the nation. One of the primary challenges of meeting the surging demand is the task of bringing back furloughed employees and putting equipment back into operation.

"U.S. railroads furloughed engineers and crews during the downturn in March and April, but recently began calling them back to handle the recovery in volumes," wrote Ari Ashe in a recent article from the Journal of Commerce. "Recalling labor is not a quick task because of the complex agreements between unions and U.S. railroads, which allow workers to wait a couple weeks before coming back rather than return immediately."

The same sentiments can be applied to the trucking industry. On top of the numerous carrier closures that occurred across the nation, many drivers were furloughed. Consequently, capacity has been a primary concern for shippers struggling to meet renewed consumer demand.

A sudden fix to capacity issues on the road will not be as simple as turning on a light switch. Pricing may fluctuate in the months to come, especially if further supply chain disruptions strike abroad or at home.

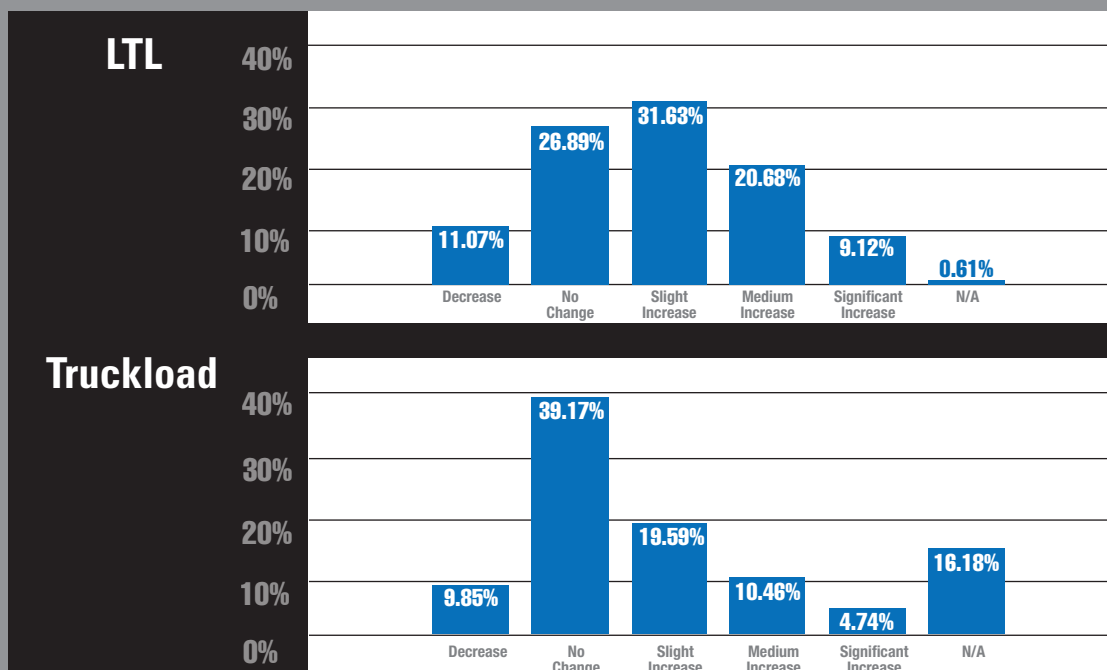
Nonetheless, now is the time that shippers should



reevaluate their LTL and truckload strategies. Identify transportation partners that are flexible to meet peaks and valleys in freight demand. Averitt, for example, has partnered with many of its high-volume shippers to ensure that their capacity needs are met. To do this, Averitt has been able to leverage its LTL and supply chain fleets to support its customers' full-load needs when they arise.

Simply put, don't put all your eggs in one basket ... unless that basket can handle the changing demands and challenges you may encounter ahead. **PtoP**

Compared with the first half of 2020, do you anticipate an increase or decrease in your LTL and full truckload shipping volumes in the last half?



# VISUAL COMFORT & CO.:

## INVESTING IN TECH, INVESTING IN PEOPLE

VISUAL COMFORT  
& Co. Est. 1987



**It's a story as American as apple pie: A lighting salesman begins tinkering with manufacturing designs of his own, using nights and weekends to build lamps in his garage. Over time, he starts selling them to mom-and-pop lighting stores, until he can afford to buy a space in a popular industry trade show. Fast-forward 30 years, and that man's company is the world's leading maker of high-end, designer lighting fixtures.**

That's the origin story for Visual Comfort & Co., a Houston-based manufacturer that brings lighting designs from names like Ralph Lauren, Kate Spade, Thomas O'Brien and more to storefronts and interior designers throughout the world.

As one might expect given that kind of dramatic growth, change was inevitable. Due to increased production demand, virtually all of the company's products are now manufactured in China. As a result, the first few months of 2020 presented a perfect storm of challenges.

### GROWTH, CHALLENGES AND 2020

First came Chinese New Year – the largest annual mass migration on the planet. Since the family reunion is the most important aspect of the holiday, there's an exodus of workers who abandon cities to see elderly parents still living in rural villages. (Anyone who outsources a product from China is familiar with the phenomenon – essentially, 1.4 billion people go on vacation at the same time.) Without planning ahead, the holiday can wreak havoc upon international supply chains. To compound matters, in 2020, the holiday extended from Jan. 25 through Feb. 8 – which had it ending just in time for COVID-19 to hit the nation.

"For the first three or four weeks, we definitely had problems getting product out of China," says Ronnie Moseley, Visual Comfort's director of distribution. "Then once things opened back up, product started coming in."

The problem quickly became how to keep up with demand. The company's e-commerce orders were up nearly 27% over the past several months – a fact attributed to people being largely confined to their homes and making the decision to fix them up. While there's a significant push to build more brick-and-mortar stores (the plan calls for up to 50 new locations for Circa Lighting, the brand's signature retail partner), a growing portion of Visual Comfort's current business is done online, fulfilling customers' orders directly to designers and even homeowners.

That means more and smaller orders. It also means delivery to end users, not retailers. All of which requires a distribution center that can keep up.

As it happens, they've got just the thing.

Within just months of building a new 237,000-square-foot distribution center, the company outgrew it. Visual Comfort is now in the process of completing a 117,000-square-foot addition. The size, however, isn't the key. It's the approach that truly sets the company's distribution abilities apart.

"When you're building a distribution network, the one thing you have to do is make sure you've got the right people doing the right jobs," says Moseley. "So here at Visual Comfort, it's all about creating the best culture for our team members that we can. And there's a lot that goes into that – from incentive programs and regular pulse checks, all the way down to what we call 'Gatorade Friday,' where we give out Gatorade all day long." (As you can imagine, it gets pretty hot in Houston.)

### TECHNOLOGY INCREASES EFFICIENCY AND SAFETY

From a technology standpoint, the primary focus is on how many "touches" it takes to get a box in the door, then back out. That starts with addressing the common-sense aspects; for instance, ensuring that the fastest-moving items are staged near the shipping area. It's then that the investment in technology really takes over.

"Our entire building is wire-guided," Moseley continues. "That means when a lift driver pulls into an aisle, it automatically locks the machine into that aisle. It takes the steering away from the driver, so all they have to focus on is getting to the right location and picking up the right item. It keeps their focus on what they're really trying to do, instead of worrying about hitting the rack."

From there, the focus on "touches" becomes even more literal. Instead of using an RF gun to scan items (which the operator is constantly picking up and setting down), everyone on the floor wears a Bluetooth ring scanner on their finger – so all they have to do is brush their finger over the item's label to create a transaction form. "There's nothing to pick up and set back down before you grab a box."

### LIGHTING UP THE FINAL MILE

As more consumers turn to online shopping, the customer's delivery experience is increasingly an important focus for shippers like Visual Comfort.

"The last thing our customer remembers is the handoff – when it actually gets to their house. That's why reputation is so important," says Moseley. "I always say 'who would you rather have deliver to your

customer? Some no-name company with their beat-up, dirty trucks, or a really nice fleet that has drivers with great personalities?'"

He credits Visual Comfort's 12-plus-year relationship with Averitt – which includes the coordination of final mile deliveries – as definite factors in the company's success.

"Averitt's been one of our best partners," he says. "The drivers are some of the best in the business, and the trucks are new and consistently clean. Early on, we felt that Averitt would be a good fit for us. And we weren't wrong."

### PROTECTING ITS ASSOCIATES AMID COVID-19

Given the rise in online ordering, the company has been fortunate to avoid much of a sales impact from COVID-19. But from an operations standpoint, it's made several significant changes to better protect its personnel.

"Right out of the gate, we adopted many of the CDC guidelines so we wouldn't have to change them late," says Moseley. "We figured they were the experts. So no one's allowed in the building other than Visual Comfort employees. Everyone's temperature gets checked at the beginning of the day. Everyone's issued a new mask every day. And everyone has to sanitize their hands when they enter the building."

Aside from the steps to enter the distribution center, Visual Comfort emphasizes communication, empathy and incentive programs.

"We also do weekly meetings and have screens throughout the building where we display updates and guidelines. There's signage everywhere reminding people to wash their hands, social distance, etc. We took tables out of the break room to create separation. We've hired new staff specifically to clean – wiping down handles, railings, tables, elevators, workstations, you name it. We do that 24 hours a day, five days a week. Anything to protect our coworkers as much as possible."

Moseley is also quick to point out that Visual Comfort is taking the long view of the pandemic.

"At the start of the outbreak, absenteeism shot up by as much as 25% – because people were afraid," says Moseley. "So we tried to educate people on the fact that this is something that's going to be with us for a long time. We wanted to take the fear away."

The company also wanted to incentivize employees for staying the course.

"For every week that a coworker comes to work and doesn't miss any time, we give them an extra \$50. That's in addition to lunches, snow cones and other little perks that let them know how much they're appreciated," adds Moseley.

It's that focus on the good of the team that has Moseley optimistic about what tomorrow holds.

"For us, even through COVID, the future looks good," he says. "We might get set back a little bit, but we've always come out stronger on the other side. That has everything to do with the dedication of our team members and understanding what the common goal is."

**PtoP**

# EON SANITIZING MIST™:

## COMPANY IN CONTINUOUS MOTION MAKES A CONTINUOUS SPRAY

POINT  
5

**Many shippers have modified their operations to adapt in a COVID-19 world. In some cases, that's meant responding to supply challenges. In others, it's meant changing their manufacturing process to produce badly needed safety equipment.**

However, this is the story of a company that didn't even exist prior to the coronavirus outbreak – and went from 0 to 60 at a breakneck pace.

From the moment eOn Sanitizing Mist™ was conceived, to the day CVS picked up its first 60,000 units, 24 days had passed. That's barely over three weeks. And it all started with a visit from Dad.

"About a week before the lockdown order came in Los Angeles, my dad had stopped by," says eOn Mist LLC founder Austin Hurst. "He brought over a big bottle of hypochlorous acid and said, 'Use this as a sanitizer instead of traditional disinfectant. It's cleaner, it's safer and it's eco-friendly.' At the time, I'm thinking, 'That looks like water. How is that supposed to kill the virus?' But then the mayor of LA locked everything down – restaurants were closed, shopping centers were closed. We really had nothing much to do but sit there, locked inside, and stare at this product."

### SUDDENLY, INSPIRATION HIT

It's worth remembering that this was in early March, when "stay at home" was just coming into play. Even though Los Angeles imposed a lockdown earlier than many other cities, the fear was still spreading rapidly across the country. Hand sanitizers and disinfectant sprays were disappearing from store shelves.

"After doing a little research, we asked ourselves, 'How do we take this product and put it in a form that people can easily use?' At this point, my partner and I had no background in this kind of thing, so we looked to things we knew. I liked using the popular misting bottles you'd get at the pool, or as a promotional product, so we dug into those."

In order to create a continuous spray of product, these companies were using a technology known as BOV, or "bag on valve" – which, unlike aerosols, doesn't use any harmful chemical propellants mixed with the product. "That's why you see BOV used for things like sunscreen and cooking oils," says Hurst. "The product is in a bag, in its pure form, and compressed air forces the liquid out in a continuous spray. At the time, I didn't know any of this. I just knew I liked the product. So we looked into who was manufacturing the cans."

### THAT WAS JUST THE BEGINNING

"Every time we make a can for a customer, it requires seven different suppliers to complete the job," Hurst explains. "We have the valves, the bags, the cans, the

corrugated box, the commercial printer for the sticker and the contract filler for the cans."

The seventh supplier? "That's Averitt coming in to ship it," Hurst says. "We wouldn't be in business if it weren't for Averitt."

To go from an idea to having CVS pick up 60,000 units on day 24 took a lot of hard work, a lot of all-nighters and adapting to a supply chain that wasn't necessarily accustomed to such a feverish pace. Which is where the Averitt part of the story begins.

"For our very first shipment of raw materials, we didn't have a process in place yet, so we used [online transportation broker] Freightquote," Hurst says. "We had to get six pallets of our liquid bulk from Little River, SC to our filler in St. Louis MO. We had time booked the following Wednesday, and if we missed that window, we were going to be dead in the water."

Freightquote connected eOn with a well-known freight carrier that picked up the totes and got them on their way. "The pro number on their website told us the shipment had arrived in St. Louis, and that it would be held over the weekend and delivered on Monday. So we had all our components, and we were ready to go. At this point, we're all celebrating.

"Monday morning, I get up and check the tracking, and it says they're now on their way to Atlanta GA," Hurst says.

"My heart skipped a beat."

What followed was an exercise in phone trees and frustration as he spent the next five hours trying to get answers. "They told me they couldn't stop the truck, because it could only go from terminal to terminal," he says. Instead, he had to fax a reclassification form saying that as soon as the shipment arrived, it had to be reclassified for the original address.

"I remember calling the terminal in Atlanta and asking if they got my fax," he says. "They said the person who would've received it was out, but that nothing would happen to the freight until the next morning. So I wake up Tuesday morning, refresh the pro number on the website, and it tells me the six totes are now in Tampa FL – even farther from the departure location, and just sitting in the hot Florida sun."

At this point, Hurst describes himself as flabbergasted. "I call them and say, 'What happened? We've got to get these to St. Louis by tomorrow morning.' They tell me, 'Oh, no, there's no way to expedite that freight.'"

Desperate, he called a friend who had his own freight business. "I said, 'Help us!' And he said, 'There's only one company in the industry that can do it that fast. And that's Averitt.'"

Through his friend, Hurst was able to connect with Averitt Executive Vice President of Sales and Marketing Phil Pierce, who put him in touch with Specialized Services



Manager Teresa Graham. Graham and her team found a truck roughly 60 miles out of Tampa that could pick up the totes.

"Averitt came to the rescue. Those drivers went nonstop, and we tracked that shipment all night long. I remember waking up to a phone call from the facility in St. Louis telling me the totes had arrived, and the line was going to start on time.

"And that's why the CVS order shipped on day 24 of the business – because of that freight getting rescued by Averitt. There's no other company in the United States that could pick up 2,600 pounds of cargo and get it 17 hours (more than 1,000 miles away) across the country with the snap of a finger.

"That's my favorite story," says Hurst.

Since then, Averitt has become eOn Mist's exclusive LTL partner, helping ship over 5 million total units in the first 143 days of operation alone. And those shipments aren't limited to the original disinfecting spray.

"We've moved into hand sanitizer using the same continuous spray approach. So not only can you control exactly how much you're getting, it doesn't leave a sticky sludge on your hands like those glycerin-based gels." And finding better ways to serve its customers is what motivates everything eOn Mist does.

"For us, it's about saving lives and having a social impact," Hurst says. "That's the mission and vision here – having a product that actually does good and has a good path forward. Because even after the pandemic is over, I think people will be using sanitizers and disinfectants more frequently than they used to.

"There's definitely an impact that this kind of product will have in the marketplace for many years to come."

PtoP



# A COVID-19 VACCINE

## WILL HAVE RIPPLING EFFECTS ACROSS SUPPLY CHAINS



**This will certainly go down in history as one of the most challenging years shippers have ever faced. However, it is the events that may unfold in the months ahead that will be written about in articles and industry textbooks for years and even decades to come.**

As laboratories around the world race to create a COVID-19 vaccine, global supply chains will face new strains as lifesaving vaccines eventually take capacity precedence within multiple modes of transportation. To meet the vaccine needs of a global population of nearly 8 billion, including nearly 330 million Americans, vast amounts of raw materials and finished vaccines will increasingly take up supply chain resources.

### CAPACITY CONSTRAINTS IN THE SKY

One mode of the supply chain that is predicted to take the brunt of the impact is air services. Before the pandemic hit, finding capacity for air cargo was

not a critical challenge for most shippers. In many cases, air cargo traditionally is a last-resort option for supply chain emergencies and expedited needs. The pandemic, however, led to vast disruptions to the flow of international cargo on the ocean.

As a result, many importers and exporters turned to air cargo services to overcome the challenge of finding capacity on the water. The surge in demand for air space caused rates to skyrocket to historical numbers. In April, rates soared as high as seven times the cost of just a few months prior.

The demand from governments around the world for vaccines, when they are available, is predicted to lead to significantly tighter air cargo space than before. By then, hopefully capacity and service on the water will return to levels that will better accommodate the needs of traditional shippers.

### POTENTIAL IMPACT ON THE COLD CHAIN

Unlike standard dry freight, vaccines must be kept stored and transported within a certain temperature range all the way from production to the patient. When vaccines hit the ground, temperature-controlled ground transportation and storage will be a necessity for proper distribution.

In terms of the ability for suppliers to meet the expected high demand for vaccines, shippers may experience peaks and valleys with capacity and rates. It is expected that more vulnerable communities, such as the elderly and health-compromised, will be the first groups to receive vaccines. As time progresses and the pharmaceutical industry improves the efficiency and speed of production, capacity constraints may last longer.

In addition, other traditional and seasonal vaccines, such as those that treat the flu, will also add to periodic fluctuations in available freight space and service.

### LEARNING FROM EARLIER DISRUPTIONS

One of the key issues that many shippers faced early in the pandemic was the inability to acquire raw materials and products. While the media coverage often focused on the lack of toilet paper and hand sanitizer in

grocery stores, many other industries (particularly in the retail space) were also put in a bind.

In previous years, the just-in-time supply chain strategy of keeping minimal inventory on hand was widely embraced as a method to keep operations leaner and at lower costs. However, many shippers discovered that not having enough inventory to meet consumer demand during the early stages of the pandemic resulted in significant declines in sales. Even with the ability to safely sell products online, many were caught completely off guard.

### PREPARING FOR ROUND 2

If the distribution of vaccines leads to the level of disruptions to supply chains that many analysts predict, shippers should be working closely with their service providers to plan ahead while they can.

Rethinking current inventory management strategies could be the key to meeting consumer demand in the months ahead. Making overseas purchase orders ahead of time and building up a safeguard of inventory in warehouses within key markets will enable many shippers to weather a potential logistics storm.

Throughout the pandemic, Averitt Distribution and Fulfillment Solutions has been used by numerous shippers to maintain and distribute products efficiently and safely. With more than 20 distribution centers and more than 1.2 million square feet of space, Averitt has been able to provide shippers with complete supply chain solutions all the way from overseas origins to store shelves and customer homes.

Additionally, when it comes to domestic ground transportation, partnering with a service provider such as Averitt that can deliver both asset- and brokerage-based solutions will only enhance a company's ability to find the capacity and service it needs for its temperature-sensitive freight needs. Averitt's Climate-Controlled LTL service, for example, maintains precise temperatures and humidity control within a specialized shipping unit, regardless of the conditions inside the trailer.

Discussions about supply chain disruptions occur all the time, but no one in the industry could have predicted COVID-19. With a potential vaccine disruption looming on the horizon, will more shippers rethink their strategies to avoid a repeat? **PtoP**

## YOUR OPINION MATTERS TO US!

**Do you have suggestions on how we can continue to develop Point to Point as a resource to meet your needs? Do you have article ideas for future editions? Let us know!**

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