When Speed is Key

By Peter Buxbaum

In today’s business environment, with companies seeking to minimize inventory and customers requiring pinpoint services, the demand for expedited and time-definite delivery services is expanding rapidly. For a growing number of companies, every shipment to a customer puts their reputations on the line.

Take Appleton Coated, for example, a Wisconsin-based manufacturer and distributor of high-end specialty and technical papers used in printing. “In our industry, supply is tight and most orders that come through are hot and critical,” says Denise Nikolay, the company’s transportation planning manager. “This is where delivery absolutely needs to be in place and on time to meet the reserved schedules for the specific printer.”

Appleton uses Estes’ Concierge Service daily for multiple shipments to multiple customers. “Since we switched to Estes several years ago, our customers have received on-time shipments 99.9 percent of the time,” said Nikolay.

Or, take a customer of less-than-truckload (LTL) carrier A. Duke Pyle, a cosmetic manufacturer in Canada distributing to numerous styling salons across the northeastern United States. “It’s interesting that they are willing to pay extra for guaranteed service on every shipment,” says Randy Swart, the company’s chief operating officer. “They always want the latest and freshest for their customers.”

Sometimes national security even comes into play. The U.S. Coast Guard uses AFP Global Logistics, a woman-owned business based in Baltimore, to arrange deliveries of parts that are critical to the operation of Coast Guard vessels.

“All of these shipments go by expedited air freight,” says Holly Jones, the company’s vice president. “We move them on passenger and cargo aircraft to meet the Coast Guard’s critical time lines.”

Hurry Up!

The world, in general, is in a great big hurry these days. Overnight deliveries replaced first-class mail, fax machines delivered documents even faster than that, and now email makes the delivery of information even more convenient. The zeitgeist has also influenced the speed with which businesses now demand the delivery of products.

Sometimes, the speed of delivery can make the difference between life and death. “Customers call on us when overnight delivery is unacceptable,” says Victor Finnegan, CEO of American Expediting. “Everything we do is of a time-critical nature, especially when it comes to our medical deliveries.”

American Expediting’s medical business handles materials required in operating rooms, such as blood products and transplant organs, as well as specialty, temperature-sensitive pharmaceuticals. “These shipments have a very short shelf, hours from when we get them,” Finnegan remarks. “There is no room for error.”

A.Duke Pyle provides four different levels of time-sensitive service. Guaranteed Express, the top of the line and most expensive service, allows shippers to call for a pickup anytime for delivery at any specified time, as long as it can be physically accomplished within the carrier’s service area. Other expedited services include early morning, morning, and next day freight.

“A fair number of high-end New York City retailers want merchandise delivered before 7 AM when it is easier for them to receive it and for us to deliver it,” remarks Swart.

Estes Expres Lines offers tailor-made solutions for its customers’ time-critical needs, including expedited, guaranteed and time-definite shipping solutions on a global scale.

“We offer a guaranteed delivery assurance service area that stretches across the United States, Mexico and Canada with available in transit upgrades and flexible, timed delivery options, providing our customers greater shipping flexibility.”

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Providing customs brokerage is part of our secret sauce. -- Carlos Cubias, v.p., UPS center of excellence.

Larry Browne, CEO of Diligent Delivery Systems. "That's probably the ultimate time-critical delivery you can handle." Diligent is a non-asset based company, meaning, in this case, that it brokers loads between shippers and a large network of owner-operator truckers. In the case of its e-commerce work, Diligent handles last-mile deliveries from distribution centers to residences. "Many carriers use pick-up trailers that can't get down those neighborhood streets," says Browne. "We have operators in our network that use smaller trucks to get from distribution centers to end users. We are able to make deliveries in the early morning or whenever it is required by the client. Many carriers and freight forwarders cannot do that kind of service."

The fact that Diligent is a non-asset based means that it has access to a wide variety of vehicles—from vans to 53-foot trailers to low-boy trailers—basically any kind of equipment that is required to get a specific job done. "Our fleet is there, whether there is a downturn or an upturn in business," remarces Browne. "We don't rely on an asset fleet sitting around waiting for business to come. Our fleet remains constant and consistent because it is not asset based."

That flexibility allows Diligent to offer a wide variety of services, which includes everyday truckload and less than truckload, but also dedicated, final mile, and courier services as well.

Beside the extraordinary shipments that require special handling, time-definite deliveries are becoming important for shippers seeking to carry leaner inventory levels and requiring more frequent deliveries.

"An offering like time-definite delivery could be an even more valued asset to clients who are now shipping smaller loads on a more frequent basis." -- Steve Mulloy, director, Estes Solutions Center

FedEx TNT Deal Warrants Liege a Look

By Karen E. Thuermer

The big news around FedEx, as of late, is how the company is looking to expand its services in Europe by acquiring TNT, an international courier delivery services company with headquarters in Hoofdorp, Netherlands.

In mid-January, Memphis-headquartered FedEx received unconditional approval from European Union regulators to purchase smaller Dutch parcel delivery company TNT in what is a $4.8 billion deal. Now all FedEx needs to do forward is approval from Belgium and China. That approval is expected to come in the first half of 2016, according to a Wall Street Journal report.

While the corporate headquarters will remain in the Netherlands, still in question is the location for FedEx/TNT's cargo operations will locate. FedEx currently uses Paris Charles de Gaulle as its hub Liege Airport in the Wallonie province of Belgium has been TNT's hub. Not surprising, Liege, which currently employs 2000 TNT personnel and sells itself as a second-tier European cargo gateway wants to retain the business.

Paradoxically whereas TNT used to represent 81% of Liege's cargo traffic today that figure is 49%. But Christian Delcourt, Liege Airport's spokesman, stresses that all cargo companies (ANA Aviation Services, Qatar Airways, Ethiopian Airlines, El Al Cargo, Cargologic Airline, and others) that use the airport are growing. In 2014, the airport handled around 90,600 ton.

During an interview with Delcourt in Liege last November, he revealed that for the first six months in 2015, the airport saw 13% growth. He also emphasized that the airport is "completely committed to our full cargo operators" and added that the airport had gained the titled Flexport.

Cargoes being developed at the airport include biopharma and animal transport, although the airport also handles fresh produce and other cargoes. "Biopharma is one of the businesses being developed," Delcourt stated. "We particularly emphasize all aspects of the supply chain. This involves the pharmaceutical transport and treatment of organs or biological items that require specific state of the art skills and facilities." Speed of transport is very important here: Points A and B, especially for little packages," he said. "Pharmaceutical companies prefer an international airport with a large network of destinations."

Dubbed the Flying Farm, Liege’s animal facility offers veterinary inspections. "An $87 billion per year the Flying Farm is now being constructed for the housing of horses before sale and after landing," he said.

Delcourt emphasized that the airport also hopes to attract the small package business. Of Interest should be the economic areas surrounding the airport owned by Societe Wallonie des Aéroports SOWAD that is being developed for warehouses and offices. Consisting of large parcels of land, Delcourt explained the development is a long term project over 20 to 25 years.

Most immediately, however, Liege Airport has its eyes on the FedEx/TNT deal. And for this reason, Delcourt points to the fact Liege has no right flight restrictions, good relations with its neighbors and a superb location with a road network that makes it possible to reach nearly 400 million consumers in less than a day. It's a formula that could mean continued success.