

Shipper

CANADIAN

Shipper

2014
SHIPPER'S
CHOICE

2014 SHIPPER'S CHOICE

An impressive field of 37 carriers rose to the top in our annual Shipper's Choice Awards survey. Read on to discover how their performance set them apart.



A CUT ABOVE THE REST

Our 13th Annual Shipper's Choice Awards Survey sets industry benchmarks for performance excellence and identifies the 37 carriers who exceed them

As the global recovery takes firm hold and freight volumes grow, commercial transportation in North America is likely to experience capacity shortages. This will ultimately shift the focus of transportation service buyers from price to service. The hyper competitive nature of many sectors such as retail, however, will mean that there will continue to be an emphasis on cost containment.

For carriers the challenge will be in taking the leap of faith to invest in the equipment, technology and service strategies necessary to deal with growing freight volumes – a costly endeavour – at a time when rates are not rising as quickly as they would like.

It makes for a difficult balancing act but our research shows clearly that no matter what the challenge, some carriers are able to rise to it. They've learned how to best balance atop that quality service at a competitive price tightrope, during both tough economic times and growth periods.

This report reflects the research we conduct annually in an attempt to provide buyers of transportation services with consistent, national and scientifically derived benchmarks of excellence for carrier performance in each mode.

This year 37 carriers managed to surpass the Benchmark of Excellence in our 13th Annual Shipper's Choice Awards Survey. Particularly impressive are the carriers who have

scored above the benchmark of excellence for five years in a row to be awarded our special "Carrier of Choice" designation. To see these winners, turn to the final page of this report.

Our survey provides shippers, 3PL service providers and freight forwarders across Canada with the opportunity to set benchmarks for carrier performance on eight key performance indicators (KPIs) and to rate their top carriers against those benchmarks. Aside from identifying the best carriers across all modes through this process, survey respondents also provide clear indications of the different values Canadian buyers of transportation services place on each key performance indicator (KPI) based on mode as well as a comparison of how high these standards are set for each mode. (For example, transportation buyers set their highest standard on information technology for air carriers while expecting marine carriers to live up to the highest standard for competitive pricing.)

The importance survey participants place on the KPIs for each mode (based on a five-point scale) is used as a weight in calculating carrier evaluations. Survey participants then rate up to three of their main carriers in each mode (again on a five-point scale.) The final weighted score for each carrier is derived by multiplying the carrier's average performance score by the average importance rating for each key performance indicator for that mode.

continued ►

Geographic distribution of respondents



Importance Of Performance Criteria

Mode	On-time performance	Quality of equipment & operations	Information technology	Competitive pricing	Customer service	Leadership in problem solving	Ability to provide value-added services	Sustainable Transportation Practices
LTL Trucking	4.753	4.315	4.034	4.678	4.647	4.369	3.603	4.060
TL Trucking	4.848	4.506	4.168	4.715	4.633	4.409	3.910	4.210
Ocean Carriers	4.588	4.426	4.365	4.731	4.634	4.441	4.117	4.188
Couriers	4.862	4.321	4.516	4.708	4.619	4.342	3.852	4.128
Air Carriers	4.924	4.531	4.547	4.647	4.721	4.551	4.069	4.195
Rail Carriers	4.545	4.385	4.295	4.722	4.572	4.288	3.813	4.178



Because survey participants are first asked to rate the importance they place on each of the eight KPIs when making their carrier selections, and that data is used as a weight on their carrier evaluations, we feel that the benchmarks set are truly standards of excellence. In other words, carrier performance is judged against an ideal of what shippers expect and the areas given the most weight are the ones that matter most to buyers of transportation services. As a result, of the hundreds of carriers rated in our survey, only a very few are deemed by participants' evaluations as providing a service so superior that it warrants a Shipper's Choice Award.

Carriers receive the Shipper's Choice Award when their total score meets or surpasses the total benchmark of excellence for their mode. Only those carriers who exceed this benchmark have their names and scores included in the following tables.

Average shipper satisfaction ratings for each KPI are shown by mode. The final column on the right shows the total benchmark of excellence set for each mode. The

benchmarks for each of the eight KPIs per mode are indicated with each modal table on the following pages.

Invitations were sent to more than 6,000 of our readers who are buyers of transportation services in the manufacturing, retail and other sectors as well as to individuals responsible for managing shipments within the freight forwarding and 3PL sectors.

Carriers must receive a minimum number of evaluations in order to qualify for the award. It should be noted that this year winning was made all the more difficult because we once again raised the number of evaluations necessary to qualify for the award for almost every mode. In order to boost response, carriers were given the opportunity to forward the survey to their own customer lists. Not all carriers chose to do so, however. To prevent tampering, we check for multiple cases submitted by known respondents. If there is more than one case, then only the newest one is considered. Likewise, we check for similar IP addresses. As a final check on tampering, we separate and check the evalua-

continued ►

Shipper Satisfaction Ratings By Mode

Mode	On-time performance	Quality of equipment & operations	Information technology	Competitive pricing	Customer service	Leadership in problem solving	Ability to provide value-added services	Sustainable Transportation Practices	Total Satisfaction Score
LTL Trucking	20.27	18.15	15.96	19.55	19.53	17.46	14.17	16.28	141.369
TL Trucking	21.43	19.53	16.59	20.02	20.22	18.35	15.61	17.37	149.123
Ocean Carriers	19.51	18.40	17.56	19.43	19.22	17.43	15.71	16.57	143.833
Couriers	20.79	18.17	18.71	18.73	18.06	16.25	14.27	16.15	141.136
Air Carriers	20.87	19.17	18.35	18.82	19.19	17.76	15.30	16.42	145.878
Rail Carriers	16.59	16.64	16.17	18.05	15.80	14.36	12.23	15.32	125.172



Thank you for choosing XTL as your
2014 Shipper's Choice Award winner!
Telephone: 416-742-2345 • Toll Free: 800-665-9318
www.xtl.com



Driving for a greener tomorrow
En route pour un avenir plus vert



TRANSPORT
LOGISTICS
DISTRIBUTION



tions submitted by participants from our own e-mail list versus the e-mail lists of carrier customers. Winners must have evaluations submitted by transportation buyers from our own e-mail list to qualify for the award.

More than 2,000 buyers of transportation services participated in our survey, which makes Shipper's Choice the largest of the several surveys we conduct annually. We thank all those of you who took the time to complete our survey. (Participants receive an advance electronic copy of the results.) About 10,000 evaluations of carriers from all modes providing services in the Canadian market were cast.

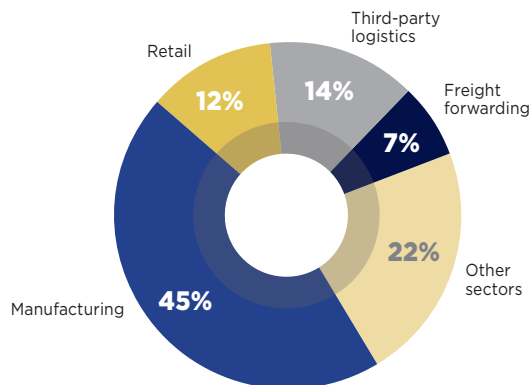
As with past years, survey participants represent every region across Canada and buy transportation services for companies with annual sales ranging from less than \$5 million up to more than \$2 billion. Their annual supply chain budgets range from less than \$100,000 up to more than \$25 million. More than a third spend over 70% of their

supply chain budgets on transportation.

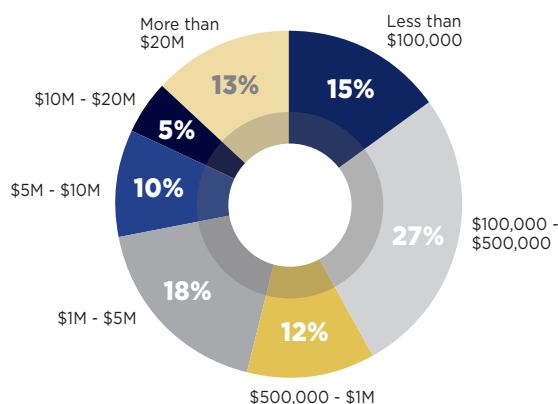
The Shipper's Choice Awards Survey was undertaken once again in partnership with CITT and the Freight Management Association of Canada (FMA), two associations whose members responsible for the purchase of transportation number in the thousands. And, as in previous years, the research was conducted by an independent research firm (the same research firm that conducts our industry-leading Annual Survey of the Canadian Supply Chain Professional).

Winning carriers are listed alphabetically, and not by their total score. Those wanting to compare the scores among the winners should keep in mind the high probability that these carriers, although they are being compared to an industry benchmark, have been evaluated by different shippers. This survey is intended as a measure of which carriers exceed industry expectations and not a ranking of the carriers involved.

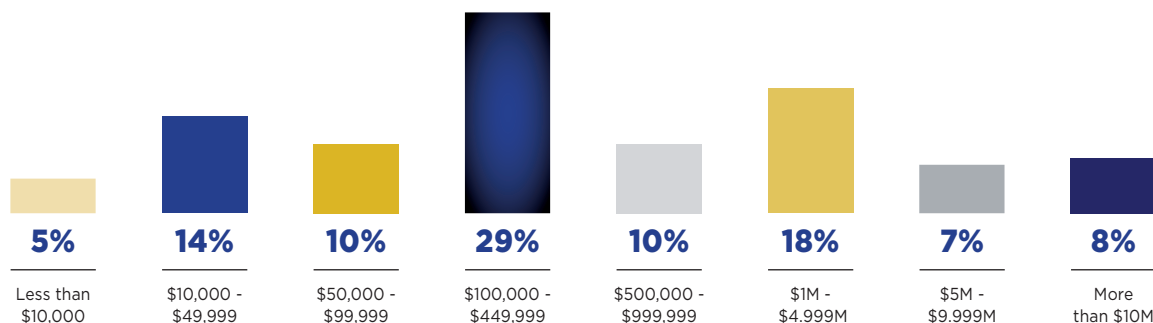
Sectoral distribution of respondents



Annual supply chain budget



Annual expenditure on transportation



Road hammers

You've got to be at the top of your game to make it into the exclusive club of TL carriers bestowed with a Shipper's Choice Award. Every year of our survey this is the most hard-fought category with the benchmark set the highest. It's no different in 2014 with carriers needing a Total Satisfaction Score of 149.123 to qualify – considerably higher than other modes.

On-time performance is the top KPI for buyers of TL services and it's third highest of all modes, surpassed only by that set for couriers and airfreight carriers. Competitive pricing is the second most important KPI in terms of importance according to our shipper survey, followed closely by customer service. It's interesting to note that sustainable transportation practices continues to gain in importance, scoring 4.2 out of 5 this year in the minds of TL service purchasers. In addition TL is held to the highest standard when it comes to providing sustainable transportation practices.

Like their LTL counterparts, Canadian TL carriers are challenged by the need to replace their aging fleet. Yet lacklustre rate increases are making it difficult to do so, particularly among the industry's smaller carriers. Aging equipment along with a continuing driver shortage are having an impact on productivity and consolidation has been forecasted for several years now but has yet to materialize to the large extent expected.

More than 1,500 shippers cast more than 2,000 carrier evaluations for the TL category. Sixteen carriers surpassed our Benchmark of Excellence this year.

TL winners and their scores for each of our eight KPIs are shown in the table below. The bottom row of the table shows this mode's Benchmark of Excellence for each KPI. The total Benchmark of Excellence is indicated on the top right. The winners are shown in alphabetical order and only those scoring above the total Benchmark of Excellence are included.

TL Motor Carrier Award Winners

Total no. of shippers evaluating carriers in this mode: 1,545 Total carrier evaluations: 2,094 Benchmark of Excellence: 149.123

Carriers	On-time performance	Quality of equipment & operations	Information technology	Competitive pricing	Customer service	Leadership in problem solving	Ability to provide value-added services	Sustainable Transportation Practices
All Connect Logistical Services	23.00	21.37	19.69	22.75	22.53	20.79	17.38	19.34
Armour Transport/ Polestar	21.85	19.80	17.19	20.60	20.93	19.49	17.09	17.93
Big Freight Systems	20.78	19.79	18.58	19.87	20.35	18.58	15.64	17.16
Bison Transport	20.74	19.54	17.89	19.51	19.94	18.32	15.26	18.11
Cavalier Transport	23.25	21.38	18.81	22.49	22.69	20.38	18.14	19.88
Guilbault	22.35	20.16	17.89	20.43	21.13	20.22	16.06	18.28
Hercules	23.17	20.28	19.09	21.99	22.07	20.63	17.76	18.91
Kriska Transportation	21.74	20.14	16.93	20.29	20.85	17.12	15.87	17.75
MacKinnon Transport Inc.	22.13	21.14	18.70	20.79	21.50	20.50	17.91	19.54
Maritime Ontario	21.46	19.73	17.37	20.90	20.82	19.23	17.19	18.36
Midland Transport	21.31	20.20	17.70	18.96	20.10	18.17	16.10	17.64
Penner International	23.15	21.58	19.20	21.78	22.51	20.70	17.30	19.18
Robert Transport	21.21	20.07	17.73	18.57	19.90	18.14	16.72	17.81
Transpro Freight Systems	23.17	21.53	18.81	21.88	22.52	20.84	17.47	18.89
XTL Transport	21.30	19.93	17.81	18.29	20.64	18.31	16.13	17.10
Wheels MSM	23.00	19.99	16.33	20.07	21.74	19.03	17.18	17.95
Benchmark of Excellence	21.43	19.53	16.59	20.02	20.22	18.35	15.61	17.37



Shipper^{CANADIAN}

2014
SHIPPER'S
CHOICE

CARRIERS OF CHOICE

Consistency of performance deserves a special award

Carriers are presented with this prestigious award if they have demonstrated the consistency necessary to attain the highest levels of service by surpassing the industry Benchmarks of Excellence set in the Shipper's Choice Awards Survey for a minimum of five consecutive years. This is a particularly difficult task because aside from having to maintain consis-

tent excellence in their operations, carriers will have to meet a likely rising standard set by shippers from year to year while also responding to changing priorities.

To remain part of this exclusive fraternity, carriers must requalify each year by having surpassed the Shipper's Choice Awards Benchmark of Excellence for five consecutive years.

Congratulations to the 2014 Carriers of Choice

Big Freight
Cardinal Couriers
Cargojet
DB Schenker
FedEx

Hercules
Kriska Transport
Mackinnon Transport
Midland Transport
Polaris Transportation

Robert Transport
Tiger Courier
Wheels MSM



Shipper^{CANADIAN}
CARRIER
OF CHOICE



Powered by 100% LNG

Your LTL carrier for Ontario and Québec
Peace of mind transportation from our family to yours
www.MinimaxExpress.com **800-465-6657**



Shipper^{CANADIAN}
2014
SHIPPER'S
CHOICE

