

# Innovations in Freight Management

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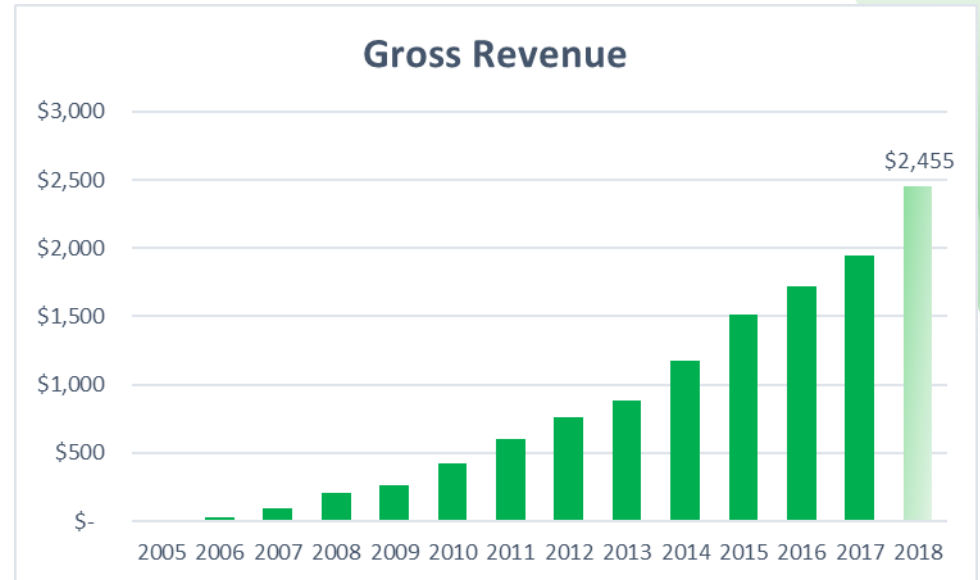
November 7, 2018

# Why innovate?

- Supply chains increasing complex to manage
- TL market is very fragmented – 80% of US truck capacity from thousands of companies with less than 100 trucks!
- Imbalances (in supply demand) drive volatile pricing.
  - Economic factors
  - Driver shortage
  - Regulation
- Deadhead miles, loading times, appointments and fines
- Intermediaries (brokers) aggregate and manage this process
- Increasing use of data and technology to drive efficiency and effectiveness

# Echo at a Glance

- Founded: February 2005
- Proprietary TMS and digital platform
- IPO in 2009
- 21 fully integrated acquisitions
- Over 2,400 employees
- \$2.45B<sup>1</sup> in Revenue



**Note**

1. 2018 reflects the midpoint of revenue guidance given during the earnings call on October 24, 2018

# Echo's Transportation Offerings

## Multimodal Brokerage

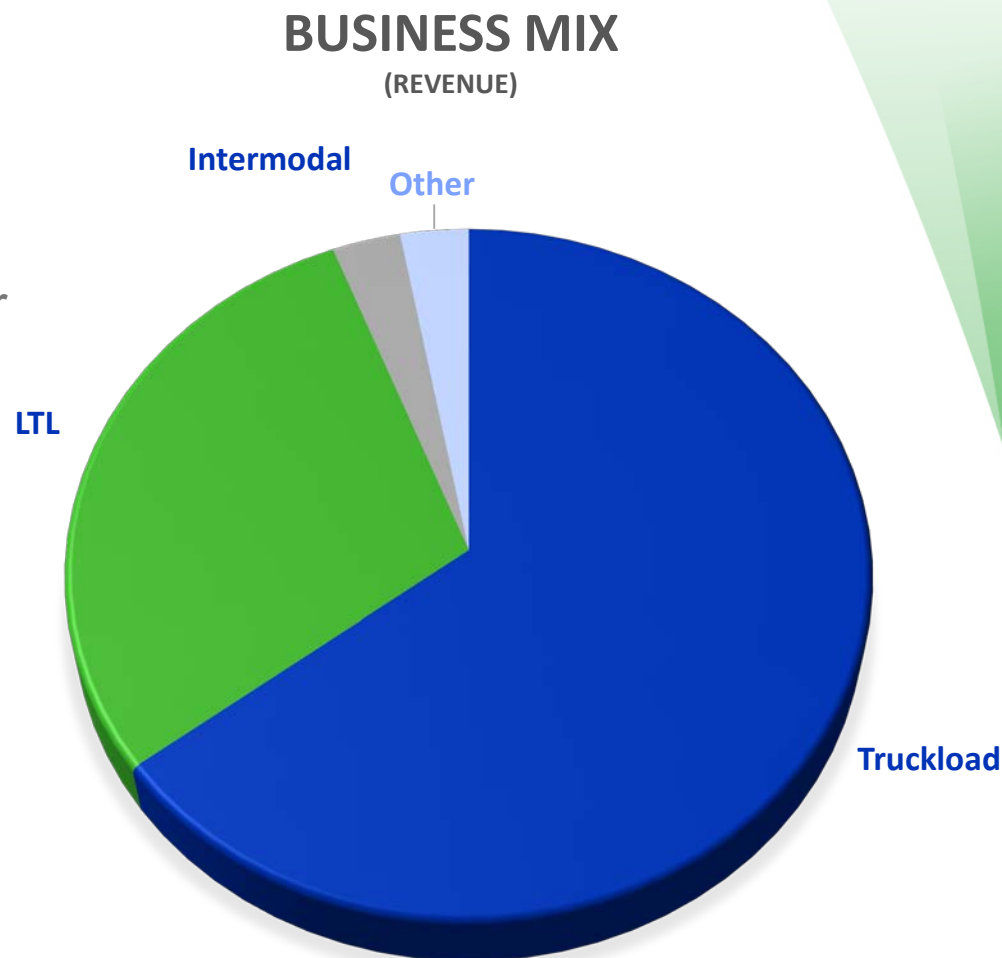
- Truckload
- Less than truckload (LTL)
- Partial TL and Volume LTL
- Intermodal (IMC)
- Specialized equipment
- Expedited
- International

## Managed Transportation

- Strategic account management
- Transportation management technology
- Multi-modal
- Business analytics

# Powerful combination of data and technology

- Tech enabled marketplace
- Thousands of customers, many of which are on-line or integrated
- 3.7 million shipments, tendered and sourced
- Internal truckload rate data on about 1.2 billion lanes
- Automated tender, tracking, document repository, and notification system



# A day in the life of an LTL transaction



## Pricing

(weight, class, dims, tariffs)



## Billing

(managing invoice dispute)



## Carrier Selection



## Tracking

(pro#, EDI, API)



## Tendering

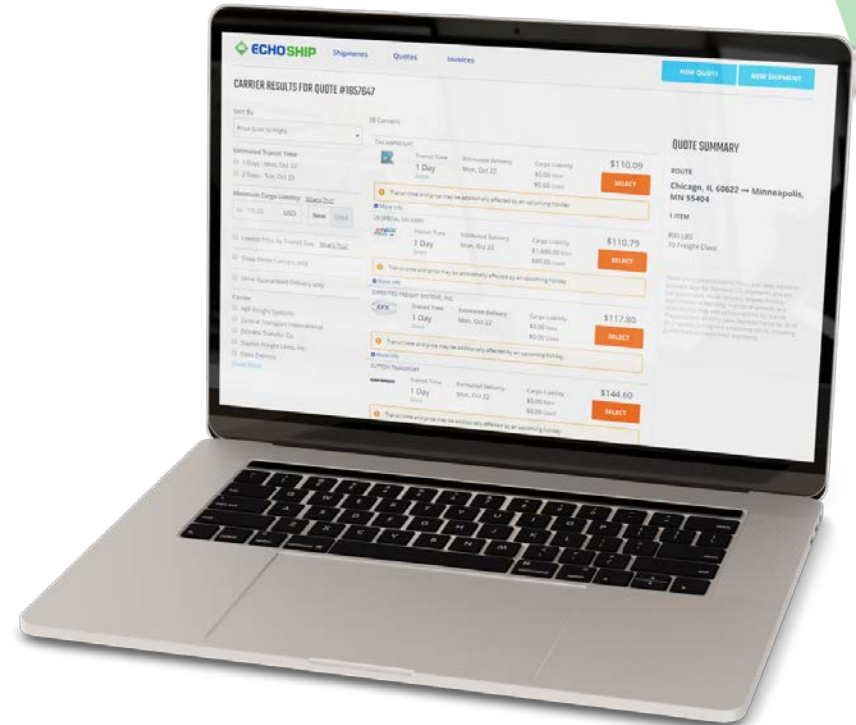
(phone, email, EDI, API)

# Online Customer Portal

- Leading edge shipper platform
- On-line LTL quoting and booking
- Multi-modal tracking and notifications

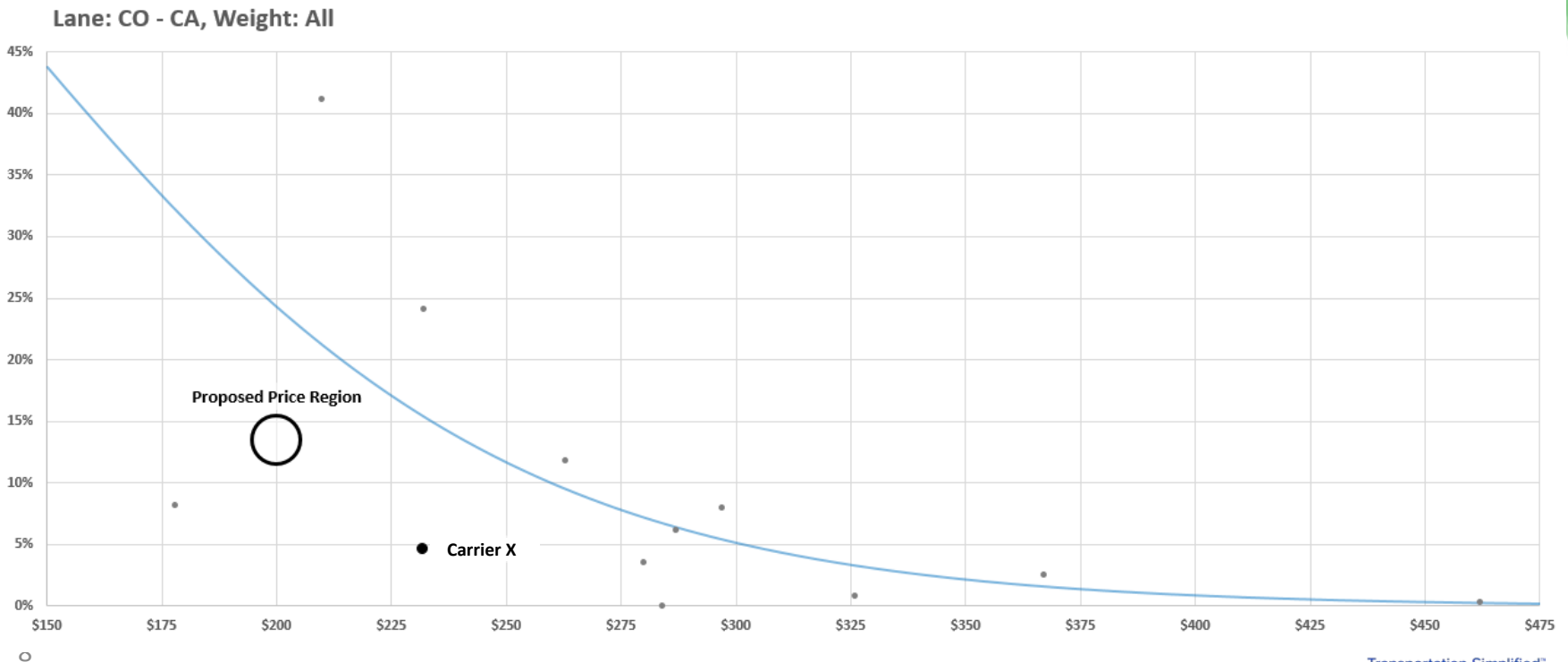


## ECHO SHIP



# A better partner to our LTL Carriers

- LTL carriers adjust their tariff discounts to shape volume across their network.
- Using price elasticities, we can provide our LTL carrier partners with guidance on how volume will change based on tariff changes on a per-lane, per-weight break basis.
- Provide data on over 10,000 OD pairs / weight break combinations



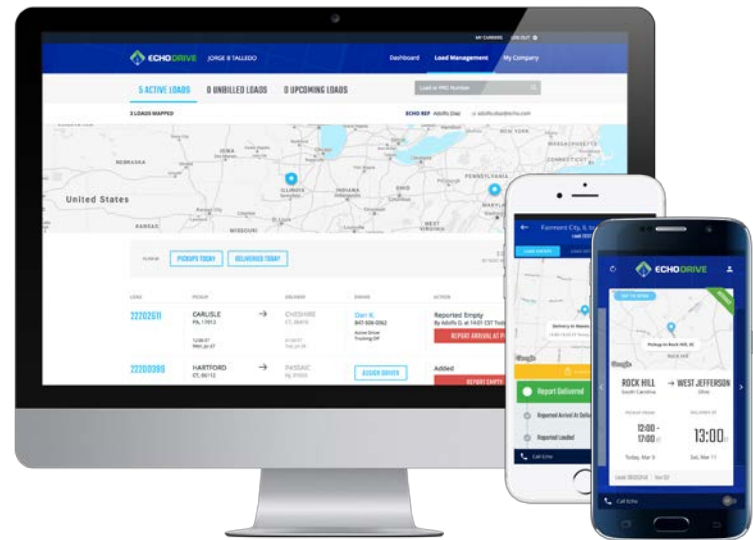


# What does an efficient TL marketplace look like?

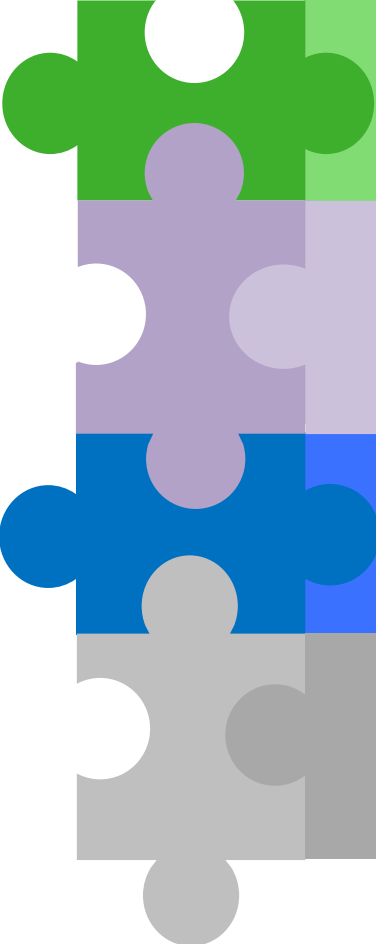
- Efficient matching of freight and capacity
- Pricing driven by supply and demand, but highly efficient
  - Tug of war between contract and spot
- Analytics applied to decision making
- Visibility and predictability
- Efficient settlement

# Carrier Portal and Driver App

- Carrier portal for loads, documents, and payment status
- Integrated with ELD, TMS, mobile apps for location data, status updates, document collection
- API and EDI integrations with carriers and customers



# Why is location data important?



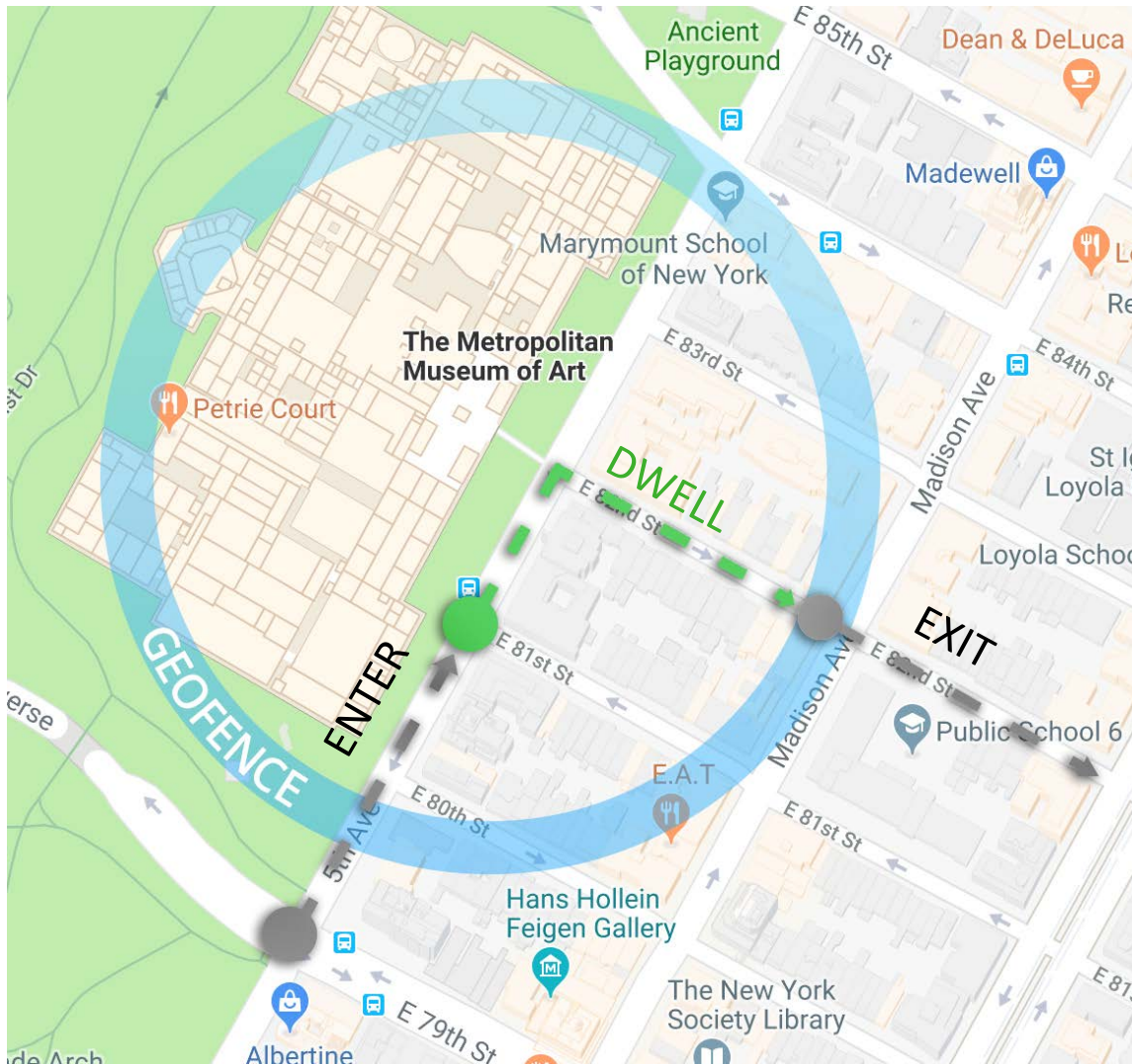
ELD and Cell phone enablement

Huge portion of truck market lacks technology

Improve location data

Visibility enables more effective supply chain management

## Leveraging data and technology to improve access to capacity



Significant customer concerned with access to TL capacity in tight markets. We were able to leverage EDL data to calculate dwell time at key warehouse locations.

# Conclusion – automation and evolution is happening!

- Huge market with lots of fragmentation
- Investments in tech and data analytics driving ongoing efficiencies
- Shippers benefit from lower prices and better service
- Carriers benefit from higher pay through reductions in inefficiency and better quality of life of drivers