





FIRST QUARTER 2019

# In this issue

**Our Core Values** 

FMPI OYFF PROFILF

Tracy Hughes

EMPLOYEE PROFILE
Frank Kraushaar

MARKET INTE

TL Surprises to Start the New Year

SERVICE SPOTLIGHT
Truck Brokerage

CODDODATE CALENDA

**Employee Birthdays and Anniversaries** 

# EMPLOYEE PROFILE

# **Tracy Hughes**



Tracy Hughes started as a temporary employee for Robart Transportation in December 1999. In February 2000, she became a full-time employee in the accounting department. During her first 12 years, Tracy worked in various

positions. When the services group was awarded the AT&T contract, she handled the accounting functions for both companies, later becoming office manager.

Tracy has a husband, two daughters, a son, five grandchildren and two granddogs. Her daughters and their families live in Houston, Texas, where she resided for 20 years before moving to Georgia. Her son is an assistant baseball coach in lowa where he is working on his master's degree.

"During my time at Robart, the best part of has been being able to learn all facets of the transportation industry," said Tracy. "David and Phil still give me the opportunity to work in various segments of the industry, which makes every day a new experience and challenge to look forward to." Tracy explained that she works with an awesome group of people that are experts in their field and that "Karen keeps

"I am very blessed to have these people in my life and this fantastic company to work for," she said.

(her) grounded and focused."

## **EXECUTIVE FORUM**

# **Our Core Values**

Happy New Year! I hope everyone had an enjoyable holiday season. As we put 2018 in our rearview mirrors, I again want to thank everyone for their continued efforts and support. We made many strides in 2018 that we'll build off of this year.



"THEY ARE A WAY OF LIFE"

The last couple of months, the management team has been working on our 2019 go-to-market strategy. We also have been working to identify and agree upon our core values. These aren't simply thoughts that are displayed on a white board, they're a way of life. Webster's dictionary defines core values as "the fundamental beliefs of a person or organization. These guiding principles dictate behavior... Core values also help companies to determine if they're on the right path and fulfilling their goals by creating an unwavering guide." Simply put, core values will help guide LinkEx as well as unify us and define our brand. Putting these values into practice will ensure that we're a great company. So, let's review:

**Communication:** Effectively communicating with peers, supervisors, subordinates and, most importantly, our customers is paramount to our success. We cannot assume. We must communicate.

**Commitment:** I have often said, "If I had to choose one of two people to be on my team, and one of them had knowledge and experience, but no commitment, while the other did, I would choose the latter every time." Fortunately, we have many with commitment - commitment to delivering the best result for our customers and their teammates. Seldom do we hear "that is not my job." Instead, we hear, "What can I do to help?" I can assure you that will go a very long way to ensuring our success.

**Integrity:** We live in an imperfect world and work in an imperfect industry. Let's face it, things happen. As such, how we deal with problems showcases our integrity and differentiate us. We'll always be open and honest with our customers. We'll never hide behind excuses. Instead, we'll work to arrive at a solution that helps us further gain credibility with our customers. The commitment from the leadership team to you will be no different.

**Proficiency:** We have much talent on our team. We have made significant investments in technology. As we become more proficient with MercuryGate, we'll be able to accomplish more with less. Thus, we'll be able to focus our attention on how we can give our customers the absolute best experience.

**Consistency:** We have all heard the term "one hit wonder." Doing it right, day in and day out is what separates the good from the great. We'll be so consistent that our customers will know it's an anomaly when we have a distressed shipment because they're accustomed to superior service, on a consistent basis.

**Innovation**: If we are going to continue to be a leader in our market space, we must continue to embrace innovation. You can order a pair of jeans online and track them until they're delivered to your door. Our customers expect nothing short of this when we're delivering their livelihood to their customers. Over the next couple of months, we'll be testing new technologies that will enable us to truly provide real-time visibility.

**Culture:** If you do not enjoy your job and you work in an environment where you are not appreciated, that's a horrible way to spend a significant portion of your time. In contrast, if we foster a culture of getting the job done while having fun, not only does this make for a more enjoyable work experience, it bleeds over into our performance. I can assure you customers recognize that.

**Collaboration:** Atlanta and Dallas did a great job of collaborating with one another last year. We must continue to build upon this and arrive at best practices. We will always strive to have collaborative relationships with our customers that prove to be mutually beneficial.

Over the course of the next couple of months, you'll see our core values displayed on the wall at both the Atlanta and Dallas offices. They will serve as a reminder and help guide us to greatness. Let's have a terrific 2019.

Thanks again for all you do!



David T. Miller
Vice President & General Manager, LinkEx



# **■** EMPLOYEE PROFILE

# Frank Kraushaar



Frank has worked as a full-time employee for LinkEx since 2013. Prior to this, he was part-time for nearly three years. He has held several positions within warehouse, accounting, truckload and most recently, local LinkEx MetroGo Fleet.

Under Frank's direction, MetroGO is now profitable and has become a well-respected local delivery/cartage company within the DFW metroplex. Frank has received several customer endorsements applauding him and his team for reliable, dependable service.

Frank has been married an impressive 33 years! He is the proud father of six children, five girls and one boy, and 11 grandchildren. During his spare time, Frank enjoys working on his cars.

He was awarded one of our "Game Changers" in December. "Frank is the epitome of a team player. We are very fortunate to have him on our team," said David Miller, LinkEx vice president and general manager.

### CORPORATE CALENDAR



Shanna T. McGrone

Melchor D. Lim

Carols Guzman

Wanhdee D. Vongkaeo

Shandria D. Hill

Juan D. Anaya

Talina Seu

Demetrius D. Allen

# **Employee Birthdays**



## **February**

Robert F. Perschall Keith A. Shaver Megan D. Lawson Gene S. Ausburne Jr. Daniel Garcia Meridith M. McKim

Anastasio D. Perez Rhonda F. Tadlock Michelle Wilson Silverio "Sean" Garcia Frenando Ramos Janice Howell Nanette Harris

# **Employee Anniversaries** (Years)

# January

Demetrius D. Allen (1) Nancy Flanagan (1)

# **February**

Rene Sanchez (1) Loretta E. Sansom (2) Leo R. Gallegos (4)

Melchor D. Lim (4) Felixberto B. Parras (4)

Robert N. Peters (4)

Demarcus A. Coats (7)

# March

Daniel Garcia (1) Benjamin Garcia (1) Mary E. Merlino (2)

# Our new





# TL Surprises to Start the New Year

by AD Perez, Manager of Carrier Development/Procurement

This year, has started off by saying "Surprise!" as analysts are lowering forecasts of how high truckload rates will rise in 2019. Capacity shortage numbers in the van spot market continue to recede and data shows shippers have started to shift loads from domestic intermodal back to OTR.

Projections that were calling for price hikes in the 5 to 8 percent range for 2019 months ago have been reduced to 2 to 5 percent. Keep in mind this comes on top of double-digit increases in 2018. Even a 5 percent cut in rates will still leave many shippers paying more than in 2017.

For the first time in several years, van rates did not increase from November to December. In December, U.S. shipment volume dropped 1.7 percent from November and 0.8 percent year-over-year, which marks the first annualized decrease in 24 months, according to the Cass Freight Index. Most analyst still feel confident that even at a slower rate increase volumes will continue to expand.

"There is no reason to be concerned about a bearish economic outlook," explained Donald Broughton of Cass. Numbers show that the U.S. economy is still growing, just not at the same rates it was a year ago. A 10 percent year-over-year increase in shipper expenditures is a strong indicator capacity was tight throughout 2018. Spot rates peaked in July, but have since decreased 20 percent, but even with this decrease spot rates are still almost 20 percent above normal. Analyst believe that contract rates - even though they did not increase at the pace of the spot market last year - will continue their modest increase into the fourth quarter of 2019.

INSIGHTS

Trucks had been out in full force following the holidays. Compared to the week that included New Year's Day, posts on load boards, such as DAT, have been up 77 percent while load posts are only up 9. This extra capacity has cut the national spot van load to truck ratio in half. The linehaul portion of January's national van rates are holding steady in comparison to December 2018, which leads many to believe that lower fuel surcharges are creating the majority of the current impact. Eighty-one of the top 100 spot van lanes showed a lower total cost recently.

In 2018, intermodal took away loads from trucking, but early numbers are showing the pendulum is slighting swinging back the other way. The drop in diesel prices is making dry van transportation more attractive and is reducing the cost advantage of intermodal. The break-even point on the OTR-to-intermodal trade-off has gone from under 650 to over 700 miles the past month. The big question that remains is how long the OTR availability will be around.

# ■ SERVICE SPOTLIGHT

# Truck Brokerage

Our truck brokerage is primarily managed out of our Atlanta office. Under the leadership of Karen Thompson, Atlanta director of operations and customer service, we have 15 dedicated personnel and two leads. The Atlanta office works very closely with the Saia account executives and national account executives as they generate truckload opportunities from their existing customers.

"Due to their responsiveness and overall service, the Atlanta office has gained a level of trust and confidence from the Saia sales team," explained LinkEx Vice President and General Manager David Miller. "Customers are seeking more solutions from less providers and the account executives are confident introducing their key customers to LinkEx knowing they will not jeopardize their core business. In contrast, they bring them more value. This resulted in 91 percent net revenue growth in 2018."

The majority of the truckload business that the Atlanta team manages is ad hoc, which in many cases requires same day coverage. Additionally, they do manage a long-term static relationship with one of our top customers, Delta Airlines.

With over 10,000 approved and vetted carriers in our portfolio, we have the network to align the right solution with each customer need. Every shipment is tracked and traced from time of dispatch until final delivery.



Additionally, under the leadership of Joy Velez, Dallas director of operations and customer service; AD Perez, director of carrier procurement, and development and the direct supervision of Kelsey Rosenlieb, Dallas also offers truck brokerage solutions.

Although Dallas gets involved with ad hoc opportunities, the majority of their business is static, which is managed with a core group of large truckload carriers for dedicated capacity solutions. Atlanta and Dallas collaborate very effectively with one another to arrive at the best solution for the customer, ensure they maximize capacity and build continuous moves for our carriers, thus maintaining commitments.

We will continue to invest in our truck brokerage operations and differentiate ourselves from the traditional truck brokers.