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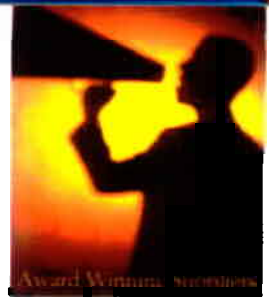


To effectively manage your supply chain we strive to understand all aspects of your business needs. Our objective is to enhance your service levels and better control costs through improved strategies and proven processes. Given the opportunity, we can recommend comprehensive supply chain solutions that will encourage you to put *Wheels in motion*.



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Perfectly positioned

President Peter Jamieson on how
The Wheels Group can leverage innovative
solutions between carriers and shippers

CT&L: *What would you consider to be the most significant developments for your company over the past year?*

Jamieson: We continue to invest in areas that improve our customer capabilities and support continued growth. Key areas of development in the past year have included infrastructure, people, and information systems.

On the non-asset side of our business – Wheels International, Pacific and Worldwide – we had recent expansion into temperature controlled by adding knowledgeable people located in Montreal. We've picked up new customers such as Sobeys and Sheridan Nurseries. We've also expanded in the U.S. with a new office in Cincinnati to take advantage of the intra-U.S. business, leveraging our existing customers such as Goodyear, Bridgestone, American Greetings and Mead.

On the asset side – Wheels Dedicated Logistics and AIM – our service with its tight management controls is helping us expand our business with companies such as GM and Ford. We've basically doubled our dedicated service over the past year, growing to over 400 owner/operators. AIM, which runs drayage pick up and delivery of rail and ocean containers, has expanded into Vancouver and Edmonton by providing drayage services to Canadian National Rail and we've recently added a new yard in Toronto.

Because of this growth, we've added more than 50 people over the past year. For example we added new expertise to handle one of our largest new accounts, Con-Agra Foods. Wheels International is now its full logistics/transportation management provider, handling all their inbound from the U.S. freight to their Canadian DCs and also load planning, consolidation, and delivery out of their Canadian DCs.

Also as part of this growth, our whole technology infrastructure – WheelsLink® – continues to grow. Con-Agra, for example, is a company that had grown by acquisition and didn't have a common supply chain information system. So part of what they were



Peter Jamieson

looking for was to improve their service, cost and their analytical capability and have a supply chain information system they could use to place orders, provide load visibility and customized reporting needs.

CT&L: *One of the most significant developments for shippers over the past year has been a notable increase in transportation service rates across all modes. As the party working between the shipper and carriers, how are you approaching this situation? How can you help?*

Jamieson: We can help in a number of ways: 1) Through the application of true logistics that can effectively analyze and optimize customer supply chains providing the positive results of reducing costs while improving quality and service. 2) With an innovative industry leading approach for the use of intermodal applications that represents competitive service to that of over-the-road service levels while reducing overall costs. 3) Continuing to be a low-cost, high-quality provider of supply chain services that includes significant value added offerings.

CT&L: *Truck capacity is an issue that's top of*

mind for many shippers, those shipping TL in particular. I understand you work with over 4,000 North American trucking companies and, of course, you provide your own dedicated transportation. You must have a sense of what can be done to place shippers in the best position to ensure their freight will be moved when it needs to be?

Jamieson: Yes, we are in a position to best leverage available carrier capacity – over the road or intermodal rail – when and where it becomes available throughout North America for the benefit of both our suppliers and our customers for a win/win/win situation. Companies still run inbound raw materials and outbound finished goods very independently but we are finding more opportunities to combine collaborate and consolidate. Even competing customers are willing to consider synergies. Because of our position we have the ability to collaborate between different customers who would benefit from balancing equipment, carriers and modes between east-west and north-south shipping needs. This is going to be a growing area, given the concerns about capacity, cost and service.

CT&L: *Our own research indicates growing use of 3PL services among Canadian companies and a call for deeper, more integrated relationships. What's it going to take to get there?*

Jamieson: It is going to take a significant change on the part of customers to accept the role of a true partnership that includes the sharing of information that impacts or drives inventory planning, distribution, sales strategies, etc. It is also going to require additional commitments on behalf of customers to openly share business strategies and objectives which historically they have not been required or are reluctant to do. Supply chain managers need to think like business leaders and business leaders need to better understand their total supply chain process and total related costs.