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**Ryder offers a complete array of leading-edge logistics, supply chain and transportation management solutions worldwide.**

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- ▶ Professional Services
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- ▶ Facility Design
- ▶ Professional Services

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Transportation and supply chain solutions for the bottom line



Consolidating  
Transportation  
Operation  
Leads to  
Big Savings  
for Moulding  
Giant.

**Royal Mouldings**

# Royal Mouldings



## AT A GLANCE

### CHALLENGE

How to ensure the same levels of customer service for all customer shipments, – not just those handled by Royal Mouldings' dedicated contract carriage fleet.

### SOLUTION

An integrated Ryder dedicated contract carriage and transportation management solution to manage all product shipments to customers from small package to truckload.

### BENEFITS

Improved customer service that delivers a competitive advantage, reduced costs and improved operating efficiency.

**R** OYAL MOULDINGS LIMITED, HEADQUARTERED IN MARION, VIRGINIA, IS BUILT ON A FOUNDATION OF EXCEEDING CUSTOMER EXPECTATIONS. THIS BUSINESS PHILOSOPHY HAS FUELED THE COMPANY FOR MORE THAN 40 YEARS OF CONTINUOUS GROWTH TO THE POINT THAT, TODAY, ROYAL MOULDINGS IS THE LARGEST LOW-COST PRODUCER OF DECORATIVE POLYMER AND 100% CELLULAR VINYL PVC MOULDING™ EXTRUSION COMPONENTS AND SYSTEMS IN NORTH AMERICA.

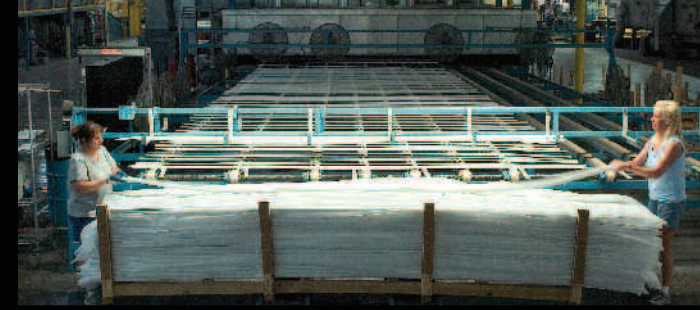
Royal Mouldings manufactures and distributes its products from four state-of-the-art facilities in Marion, Virginia; Bristol, Tennessee; Waco, Texas; and Toronto, Canada. The company is currently a member of Royal Group Technologies, a vertically integrated manufacturer in the field of polymer-based home improvement and construction products.

Royal distributes its products on a just-in-time basis through retail home improvement retailers and building supply companies to serve home owners, home builders, remodeling contractors, and other building professionals. This fact, together with the manufacturer's steady growth rate, has expanded both the scale and complexity of Royal's transportation requirements.

Meeting customer service needs, while at the same time keeping a close eye on transportation costs is a constant challenge for Royal Mouldings and thankfully the company does not face this challenge alone. About 10 years ago, they decided to proactively outsource their private truck fleet to Ryder. Last year the company greatly expanded its relationship with Ryder by outsourcing all of its transportation movements to the 3PL. The successful results of this agreement are highlighted in better service and lower company costs.

### Serving Specialized Needs

"We have two main yet completely separate customer channels," explains Gary Peacock, Senior Vice President of Operations for Royal Mouldings. "A large



**FROM (L TO R) CLIFF STURGILL, DISTRIBUTION MANAGER; JOSH STEVENS, LOGISTICS MANAGER; MIKE TAYLOR, SENIOR LOGISTICS MANAGER; AND GARY PEACOCK, SENIOR VICE PRESIDENT OF OPERATIONS, REVIEW TRANSPORTATION MANAGEMENT STRATEGY.**

chunk of our product ships direct to home improvement retail stores. Although much of this freight moves in less-than-truckload (LTL) quantities, some moves in full-truckload (TL) quantities to distribution points owned by the retailer, or to locations subcontracted as distribution arms which in turn distribute to the large building supply retailer.”

Royal Mouldings’ second customer channel incorporates moulding distributors and original equipment manufacturers who bundle Royal Moulding products with window components and systems, exterior decorative window components and systems, as well as shutter and garage components and systems.

The moulding manufacturer’s dedicated truck fleet managed by Ryder serves the entire United States, handling both outbound customer deliveries and inbound material flow.

The dedicated fleet utilizes specialized curtain-side trailers that expedite the customer unloading process by providing easier access to product. “Our need for specialized equipment is one of the chief reasons we need a dedicated fleet,” observes Cliff Sturgill, Distribution Manager. “You just can’t find this kind of specialized equipment at a moment’s notice.”

Royal Mouldings’ dedicated fleet carries 35% of the

manufacturer’s outbound freight, with the remainder moving by for-hire LTL carriers.

In 2005, Royal Mouldings’ dedicated contract carriage agreement with Ryder came up for renewal. Although the manufacturer ultimately renewed with Ryder, the decision to do so was not automatic. “We went through a competitive bid process to see what other third-party logistics service providers (3PLs) could offer,” reports Gary Peacock.

“We’re in a highly competitive market, so all of the major 3PL players competed for our business and submitted bids,” Peacock says. “We took a hard look at other possible vendors. But we have had a great history with Ryder, we have a great relationship with them and they understand our business. Also, in the last three or four years, we had integrated our systems with Ryder so we have visibility into what each other is doing. All of these factors helped tip the scale in their favor.”

But what really differentiated Ryder’s proposal was the fact that it went beyond just dedicated fleet management to encompass a complete transportation management solution for Royal Mouldings. “When we went out for bid, only Ryder offered the additional value added transportation management in its proposal,” Sturgill says. “Ryder came in with a very competitive price plus brought a lot of additional value to the table.”

### Manual to Automated

Prior to outsourcing its transportation management, Royal Mouldings utilized manual processes that were cumbersome and not really cost effective. “We had no formal carrier management program,” Cliff Sturgill notes. “Our people would call in local carriers and try to establish rates with them. We were manually auditing our freight bills and it was a very tedious and time consuming task.”

“And,” the Distribution Manager continues, “we continued to have customers that demanded we meet very high service requirements – including very restrictive store delivery hours for our primarily LTL shipments. As such, we needed to manage our service-intensive volumes more effectively.”

On an ongoing basis, Ryder analyzes Royal Mouldings’ freight lane costs and maps which type of transportation – dedicated or for-hire – makes the most sense for each lane. “Each day,” Sturgill explains, “Ryder’s information system, which is linked with ours, pulls out customer orders for the coming days. Using this information, the Ryder system builds customer loads based on the optimal transportation solution. With the help of the system, Ryder’s local management team can determine what should be sent by outside carriers – LTL and TL – and what should move on our dedicated fleet. They then

build the loads and route the orders.”

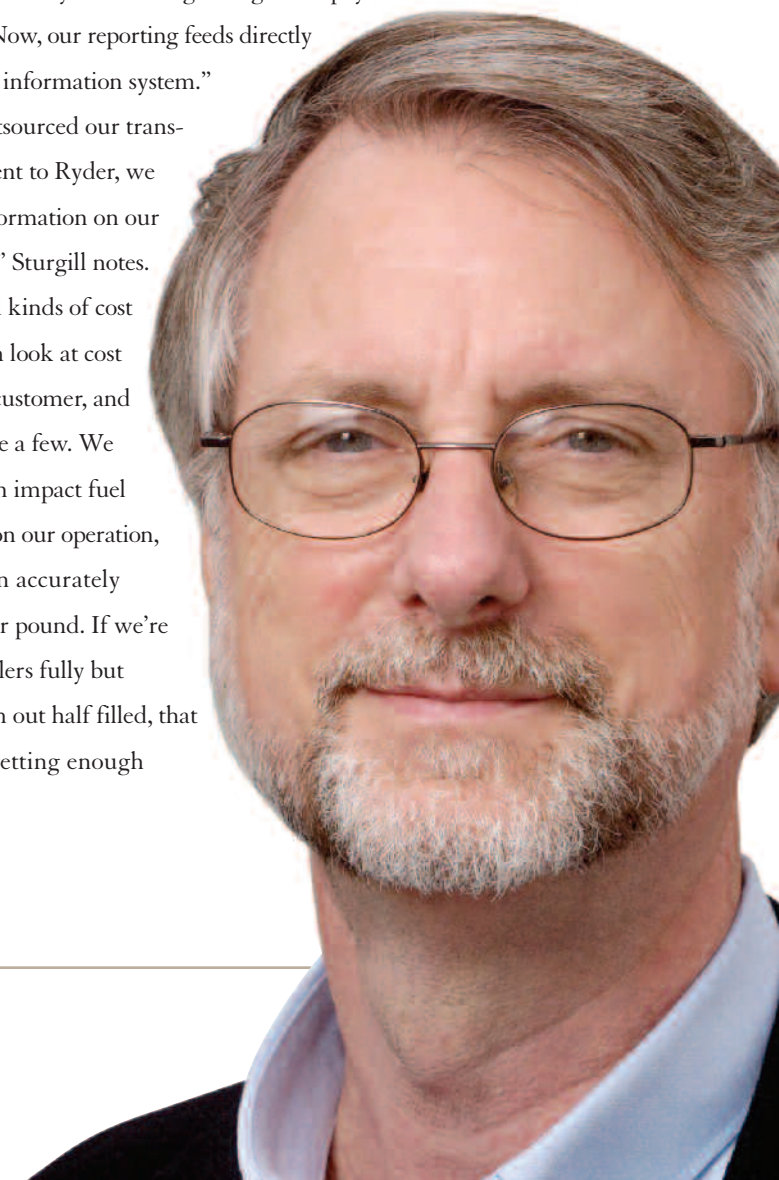
Ryder leverages its overall transportation procurement volume to obtain better rates for Royal Mouldings. Says Ron Buckner, Director of Customer Development with Ryder, “We solicit carrier bids on Royal Mouldings’ behalf, procure the services, audit and pay the bills, and provide complete transportation management reporting. We completely automated Royal Mouldings’ freight bill payment and auditing. Now, our reporting feeds directly into Royal’s business information system.”

“Before we outsourced our transportation management to Ryder, we didn’t have good information on our outside carrier costs,” Sturgill notes. “Now we capture all kinds of cost information, and can look at cost per carrier, cost per customer, and cost per state to name a few. We can see how big of an impact fuel price increases have on our operation, for example. We can accurately monitor our costs per pound. If we’re not utilizing our trailers fully but instead sending them out half filled, that shows up. Are we getting enough

**THE FLEET UTILIZES SPECIALIZED CURTAIN-SIDED TRAILERS THAT EXPEDITE THE CUSTOMER UNLOADING PROCESS BY PROVIDING EASIER ACCESS TO PRODUCT.**

“WE HAVE BEEN ABLE TO REDUCE OUR TRANSPORTATION COSTS SIGNIFICANTLY BY LETTING RYDER DO OUR TRANSPORTATION PROCUREMENT. IN FACT, JUST A MONTH INTO THE PROGRAM, WE STARTED TO REALIZE SAVINGS – ABOUT A 4% TO 5% OVERALL REDUCTION ON OUR TRANSPORTATION COSTS.”

GARY PEACOCK - Senior Vice President of Operations, Royal Mouldings





**CLIFF STURGILL AND  
GARY PEACOCK  
DISCUSS DRIVER  
ROUTES AND TRANS-  
PORTATION ISSUES.**

backhauls? Is one carrier costing us more? Are some customers more expensive to manage? These are all questions we can now answer.”

### **Significant Savings**

Although less than a year into the program, the combined dedicated contract carriage and transportation management solution has already generated measurable benefits for Royal Mouldings. “First,” reports Peacock, “we have been able to reduce our transportation costs significantly by letting Ryder do our transportation procurement. We have a few million dollars to spend on transportation while Ryder has billions. They leverage that volume to get better rates. In fact, just a month into the program, we started to realize savings – about a 4% to 5% overall reduction on our transportation costs.”

Royal Mouldings now has much better information about its overall transportation activities. Ryder’s transportation management system collects data about all aspects of Royal Mouldings’ shipping activities, feeding the reporting and metrics needed to make better decisions.

Ryder actively manages backhauls for Royal Mouldings’ dedicated fleet. “In the past,” says Sturgill, “we had some backhaul activity but it was not really emphasized.” By seeking out and managing backhaul opportunities, Ryder doubled Royal Mouldings’ revenues in this area. “We receive a percentage of the backhaul revenues, and we don’t have the headache of having to manage that traffic,” the Distribution Manager comments.

Tim Dykstra, Vice President of Sales and Marketing and Distribution, manages the large customer base for Royal Mouldings. He recognizes that providing impeccable service is essential and having to worry about the promptness of shipments is unacceptable. Tim’s says of Ryder, “They understand not only our needs, but also our customers’ needs - making them a reliable tool in Sales. On time and in good condition deliveries actually do help close a sale.”

Ryder’s transportation management solution enables Royal Mouldings to meet its customers’ stringent service requirements in a cost-effective manner. “Customer service at any customer location is important to us,” Peacock notes. “That’s the reason we have a dedicated fleet. We (through Ryder) have great drivers. We get a lot of compliments from our customers that our drivers are courteous, professional and understand our product.”

Art Ramey, President of Royal Mouldings, considers Ryder an important part of Royal Mouldings’ success. He agrees with Gary Peacock, “Their people are on-site at our locations and they know our operation backwards and forwards. So if we have a problem, we can get it resolved right away.”

Today, thanks to Ryder’s more comprehensive freight management solution, Royal Mouldings is tracking at 8% to 9% savings on transportation, according to Buckner. In fact, he adds, the arrangement with Ryder is working so well that perhaps Royal Mouldings’ biggest question might be, “Why didn’t we do this before?” **e**