

# The Whole Picture

**CT&L:** *Wheels Group has been on the prestigious list of the 50 Best Managed Companies the past six years. What has been key to remaining a top-flight company during good economic and bad?*

**Jamieson:** It's our people, our knowledge, our passion and innovation. We have great people in our company with knowledge and experience from all modes of transportation, from the shipping side and even from outside the transportation industry, all bringing with them new ideas. And they help differentiate us in the marketplace with their ability to think outside the original transportation process box and come up with innovative solutions that add value for our customers. We also do some unique things in measuring supplier performance and helping them improve. Internally we have also made a commitment to quality by defining our processes and measurements and a drive for continuous improvement. Our iWheels International division, for example, was the first logistics 3PL in North America to achieve ISO 9001 2000, which is the new international ISO standard.

**CT&L:** *As a 3PL you sit in a challenging position between the shipper and the carrier. What do you see as the most pressing issues right now in the relationship between carriers and shippers?*

**Jamieson:** There is a significant fundamental change going on in the marketplace. All carriers – over the road, rail, ocean and air, are finding it very difficult to run their businesses today. Transportation prices have been declining since the market was deregulated and just as those prices have hit all-time lows, carriers are facing increasing costs due to higher fuel and insurance prices, human resource shortages, and now the currency exchange. In the past couple of years we've seen consolidation and elimination of carriers and there are barriers to new companies entering the market due to such things as the ability to obtain insurance coverage even at a very high cost, increasing difficulty to attract drivers and increasing costs around new security requirements. Capacity is strained today in a relatively soft North American economy. But when the Canadian and U.S. economies start to improve, transportation prices will have to rise, otherwise shippers will not be able to get their goods moved to their customers and markets.

**CT&L:** *At the same time shippers are also feeling the economic squeeze. They want to see their transportation costs remain steady if not decrease. Can you keep both sides happy?*

**Jamieson:** Transportation prices will have to rise to allow carriers to stay in business. But 3PLs like iWheels Logistics have the capability to provide new supply chain solutions by helping shippers reduce their costs by evaluating existing supply chain processes from end to end to identify areas for improvements. This is where the true cost saving opportunities exist; not in just beating down the transportation cost component. Getting to and understanding the supply chain information flow within the company is critical- from inbound raw



**President of The Wheels Group, Peter Jamieson, on taking the smart route to supply chain savings**

material, manufacturing work in progress, inventory, warehousing to outbound distribution. Unfortunately, there are not many 3PLs that have that capability and breadth of services. They are still very transportation transaction focused. One of the things Wheels has been very focused on is analyzing supply chain information in an accurate way to identify the opportunities for improvement. But also since our various operating divisions are leading transportation and logistics companies the strengths we offer a customer is in the effective implementation of new transportation, logistics and supply chain solutions.

**CT&L:** *In your view is the strategic role that a 3PL can play well enough understood by Canadian industry to get the most out of the 3PL relationship?*

**Jamieson:** The market and competition today is both North American and global which creates both new opportunities and also cost pressures. Many organizations are still stuck in a traditional purchasing mode, which measures single area functional cost. To get the real value you need to think beyond transportation and purchasing, clearly understand the strategic business plan of a company and how an effective integrated supply chain can be critical to business success. A leading 3/4PL needs to have the capabilities to understand the customer's strategic focus, provide new expertise around all the supply chain component and implement and deliver new supply chain values- this includes not just the transactional movement of goods but also information management and system solutions which to provide communication efficiencies, load status visibility and performance reporting. You need to think at a 30,000-foot level and clearly look down at the company's entire supply chain process and potential ways to optimize it and operate at ground zero.

**CT&L:** *Two years ago you started your newest division, iWheels Dedicated Logistics, moving into asset-based logistics. Can you outline the company's scope?*

**Jamieson:** It's not your traditional trucking company. It's a "light asset" operation, running trucks only on a dedicated basis and focusing on providing lead logistics services to the North American automotive industry and its Tier 1 suppliers. iWheels Dedicated Logistics looks to provide additional benefits and value to the automotive industry through dedicated transportation but also through new innovative leading supply chain management customer focused solutions.

**CT&L:** *I understand you are also expanding your international focus?*

**Jamieson:** Yes, through Wheels Worldwide, our international freight forwarding company and Wheels Pacific, located in Vancouver. As more of our customers start shipping from the Pacific Rim and China we are seeing our international business activity expand. Wheels Worldwide manages the whole process from pick-up to the ocean carriage to delivery on this end, handling all the documentation, credit, and cargo insurance along the way. Wheels Pacific is focused on the west coast container transportation and management.. And our iWheels Dedicated Logistics division is also expanding its reach into the automotive sector and is quoting on business throughout the U.S. and into Mexico.

**CT&L:** *You've also made considerable investments in technology in recent years. Anything new on the radar screen?*

**Jamieson:** The Wheels Group has made significant investments in our information technology infrastructure to provide new levels communication effectiveness. We are about to launch our WheelsLink product, an Internet-based communications vehicle which will allow improved communication between all Wheels offices and between shippers and carriers. It will allow shippers to place, track and get visibility of their orders. Also with a lot of our suppliers we are moving to our new paperless document exchange. And we are also looking to ways integrate systems with our major customers to further drive efficiencies.

**CT&L:** *Obviously there has been quite a bit of growth since the company's beginnings in 1988. Are you now close to where you want to be or should your customers be expecting more growth in the near future?*

**Jamieson:** The Wheels Group has grown on average at 30% per annum since we started Wheels International in 1988. To help with our future growth and success the executive team has developed a five-year business plan for the Wheels Group and for each operating company. If we are successful in reaching our plan we will more than double our size in the next three to five years.