

Empty Miles Service enables retailers and carriers to fill empty trucks for supply-chain and environmental benefits.



CHALLENGE

Address the systemic economic and environmental problem of trucks running empty miles to improve bottom-line performance and sustainability results.

SOLUTION

With the help of VICs and its Empty Miles Service, Macy's and Schneider National have forged new partnerships to realize cost savings and generate revenue opportunities by filling empty miles with dedicated capacity.

RESULTS

Improved sustainability

Schneider National has eliminated 61.65 tons of carbon dioxide, 147.24 tons of particulate matter and 1.47 tons of nitrous oxide while saving 5,554 gallons of diesel fuel.

Macy's reports the Empty Miles Service creates an opportunity to limit the environmental impact of daily operations.

Increased operational efficiencies

Schneider National has increased backhaul revenue by 25 percent.

Macy's has experienced an increase of 30 backhaul loads per week, or a projected 1,500 loads per year.

Macy's and Schneider National Filling Empty Miles for Sustainability and Savings

At the turn of the 20th century, when the first truck delivered its initial load of goods to its first customer, chances are the return trip included long hours, a lonely driver and an empty truck. After more than 100 years, one problem remains the same: empty trucks running empty miles.

According to the National Private Truck Council, approximately 28 percent of trailers on U.S. highways are currently running empty at high cost to companies, the economy and the environment. During these challenging times, reducing empty miles has become especially critical for a carrier's operations and bottom-line health.

Two progressive companies — Macy's Inc., the nation's premier retailer, and Schneider National, a leading provider of transportation and logistics — are among the more than 30 companies coming together with a new sense of urgency to solve this age-old, yet contemporary issue. Together, Schneider and Macy's are realizing both financial and environmental gains by filling empty trailers with the help of the Empty Miles Service, an innovative online solution developed by the Voluntary Interindustry Commerce Solutions Association (VICs), GS1 Canada and GS1 US.

VICS is a member driven, not-for-profit association that, for over 20 years, has created best practices and standards-based solutions for the consumer goods segment in the retail industry. VICs created the Empty Miles Service to enable its members to match their empty trucks with other pre-qualified shippers or carriers that can use the space for shipments.

As charter members, Macy's and Schneider National are using the Empty Miles Service to explore new ways of working together. In turn, they are contributing to their respective company's business goals while elevating the collective focus of the transportation industry to limit the impact of empty miles on the environment.

"We've engaged in many different initiatives for sustainability, but Empty Miles has been in the forefront by providing us with tangible results."

— Bill Connell, Executive Vice President of Logistics, Macy's Inc.



"Reducing empty miles with the VICS [Empty Miles] Service is a winning business proposition for us and our customers."

– Steve Matheys, Executive Vice President,
Schneider National

Empty Miles Solution

Launched in 2009, the VICS Empty Miles Service brings together retailers, manufacturers and carriers as trading partners to collaborate and mutually benefit from reducing empty miles. The service provides an industry-wide solution that directly supports companies' supply-chain optimization and sustainability strategies.

Sponsored by GS1 Canada and GS1 US, two North American standards organizations, VICS evolved this easy-to-use and low-cost service to help its members that want to eliminate waste and increase efficiencies.

The ambitious Empty Miles Service is also an affiliate member of the EPA/SmartWay Transport program and is aligned with the goals of the sustainable goods movement. Their strong relationship allows members to link to EPA/SmartWay from the Empty Miles home page.

"Today's market is like a perfect storm and the perfect storm is getting everyone's attention," says Steve Matheys, Executive Vice President, Chief Administration Officer of Schneider National. *"The people at VICS that are engaged in the Empty Miles Service are really committed to having open dialogues with us and providing the needed information to help shippers and transportation providers drive costs out of the supply chain."*

Traditionally, carriers and retailers try to fill backhaul opportunities by manually searching within their own company and through their external network – a process that may take hours and produces limited or no results. With the Empty Miles Service,



carriers or private fleets (lane publishers) can post their empty available trucks and routes, while shippers (lane subscribers) can post their transportation needs. By participating in the Empty Miles Service, each company has an opportunity to reach new trading partners' lanes or a carrier's lane. Using the Empty Miles search engine, companies with empty or partially empty trailers can search for partner companies to sell or utilize the next leg of a transportation lane.

"We're offering an opportunity for people to share transportation data in a way that they've never had visibility to do before – all with the support and guidance of GS1 Canada and GS1 US."

– Joe Andraski, President and CEO, VICS

Through the Empty Miles Service, Schneider and Macy's came together to proactively tackle the problem head on. *"From the beginning, we decided to really utilize and contribute to the service versus just posting and waiting. We made a strategic decision to 'do it right' and our efforts are paying off,"* says Matheys.

"Carriers want nothing more than to optimize the utilization of their trucks and the Empty Miles Service ensures that everything possible is being done to ensure that we're not shipping empty air."

– Robin Heugel, Supervisor of Dedicated Operations,
Schneider National

Robin Heugel, Schneider's Supervisor of Dedicated Operations explains, *"Schneider made our first match with Macy's and then all of a sudden, we just saw this great opportunity to take what we learned and expand it into other areas."* By working closely with Macy's, Schneider is aggressively pursuing and making headway in growing its average weekly loads.

Kevin Locasio, Macy's Director of Shuttle Operations, advises that Macy's is an organization committed to improving sustainability at every level. *"The Empty Miles Service creates an opportunity for us to limit the environmental impact of our day to day business operations,"* explains Locasio. This energetic transportation professional works non-stop with the Empty Miles Service to ensure a "win-win for Macy's and Mother Earth."

Locasio is quick to add. *"We're happy to help our carriers, too. Schneider has been a true strategic logistics partner to Macy's."*

Early in their Empty Miles partnership, Macy's and Schneider outlined a cost structure and service-level requirements that made sense for both companies. Schneider has not only met but exceeded Macy's expectations. *"We will continue to strengthen our carrier relationships and leverage the Empty Miles Program to eliminate inefficiencies and drive our commitment to sustainability,"* says Locasio.

In fact, Locasio is challenging all of Macy's suppliers to get involved with the Empty Miles Service for a clear understanding of opportunities to eliminate or minimize wasteful spending and movement.

"We have a full understanding of what's possible when you embrace and work the Empty Miles Service. My philosophy: You get out of it what you put into it."

— Kevin Locasio, Director of Shuttle Operations, Macy's Inc.

Driving Savings Curbing Emissions

In addition to giving back to the environment, the Empty Miles Service makes sense from a fiscal perspective. Trading partners can now share capacity in ways that help everyone benefit. The original carrier recovers revenue that would have been lost with an empty trailer and the shipper saves by shipping its freight, in many cases, at a discounted rate.

For example, by identifying round-trip opportunities where one lane is available, Locasio determines where Macy's might be able to partner to fill those empty trucks. Soon after joining the Empty Miles Service, Locasio quickly opened up two

Business Impact Summary

IMPROVED SUSTAINABILITY

Schneider has eliminated 61.65 tons of carbon dioxide, 147.24 tons of particulate matter and 1.47 tons of nitrous oxide while saving 5,554 gallons of diesel fuel.

Macy's is confident the Empty Miles Service has helped it limit its impact on the environment. The company will establish 2010 targets for reducing carbon emissions.

INCREASED REVENUE

Schneider has increased backhaul revenue by 25 percent.

DECREASED COSTS

Schneider has decreased its operating costs by eliminating 11 percent of its empty miles and moving 22 percent more backhaul freight with member shippers.

Macy's has experienced an increase of 30 backhaul loads per week, or a projected 1,500 loads per year, at competitive market rates.

NEW BUSINESS

Schneider has been able to increase business with existing customers and develop new customers through high-value services.

GREATER CUSTOMER SATISFACTION

Based on improved capacity optimization, Schneider is able to offer more competitive rates and still offer the premium service that shippers expect.

Consider that when filling empty miles, carriers can now satisfy two customers: the original shipper and the potentially new backhaul shipper, leading to greater customer satisfaction and expanded market share.

lanes. To date, based on its involvement in the Empty Miles Service, Macy's has identified 44 additional lane opportunities where the company can benefit. The net impact: Macy's is eliminating trucks on the road for sustainability results and shipping at competitive market rates.

Transportation costs are also reduced. For each of the two lanes opened, Macy's reduced transportation costs by \$25,000. *"Any opportunity that allows a carrier or shipper to minimize transportation costs is an opportunity worth looking into,"* states Locasio.

Matheys sums up the benefits, *"Filling empty miles with the VICS service is good for the economy, it's good for the environment, and it's healthy for those companies that know how to leverage it and leverage it effectively."*

Locasio adds, *"It's not overly labor intensive to do this, it's just a matter of commitment. We are dedicated to this program and its ability to support operational efficiency."*

CASE STUDY: Macy's and Schneider National



CONTACT US

Learn how your company can take advantage of this innovative solution. Contact us at +1 800.567.7084, option 3 or visit www.emptymiles.org.

ABOUT VICS

The Voluntary Interindustry Commerce Solutions (VICS) Association has enabled companies in the retail and consumer-focused industries to eliminate billions of dollars of waste and delay. By creating voluntary guidelines, often referred to as "standards," VICS has created new best practices that ultimately lead to lower costs and better availability of products for consumers. VICS' volunteer members improve the flow of products and information throughout retailing and the consumer-focused industries that supply retail. The Association provides leadership and an environment in which executives can make a difference in their industry, their company performance - and their personal commitment to make the world work a little bit better. VICS' members help define the next best practices in the industries and thus anticipate and optimize business processes and costs. Additional information can be found at www.vics.org.

ABOUT GS1 US

GS1 US is a not-for-profit organization dedicated to the adoption and implementation of standards-based, global supply-chain solutions, helping more than 200,000 businesses maximize the speed and visibility of goods moving around the world. These solutions, including barcode management, data synchronization, the Electronic Product Code™ (EPC), business processes, XML standards, and EDI transaction sets, are based on standards of the GS1 System used by more than 1 million companies worldwide. GS1 US operates the subsidiaries and brands 1SYNC™, EPCglobal US™, GS1 Healthcare US and RosettaNet. To learn more, visit www.gs1us.org.

ABOUT GS1 CANADA

GS1 Canada is a not-for-profit, industry-led organization that develops, promotes and maintains global standards for the identification of goods, services, locations and related e-commerce communication. As a member organization of GS1, GS1 Canada represents the interests of Canada in the continuing development of the global language of business. Active members of GS1 Canada that joined after March 31, 1997 receive exclusive rights to a globally unique company prefix, an essential component to creating industry-compliant barcodes. Membership also includes industry education opportunities at reduced rates, toll-free help, and access to the full range of value-added services and standards, including ECCnet Images & Validation (ECCnet I&V) and Item Centre: the next generation of ECCnet Registry. To learn more, visit www.gs1ca.org.

ABOUT SMARTWAY

The U.S. Environmental Protection Agency's (EPA) SmartWaySM brand represents cleaner and more efficient transportation options that reduce greenhouse gases and improve air quality.



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