

Multiplier Effect: Helping Primes & Veteran Owned Logistics Transportation Providers Grow



U.S. SENATE COMMITTEE ON
SMALL BUSINESS
& ENTREPRENEURSHIP

Small Business of the Week

MAGELLAN
Transport Logistics





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Why are we here?

Veteran Logistics Experts Supporting Veteran Focused Supply Chains

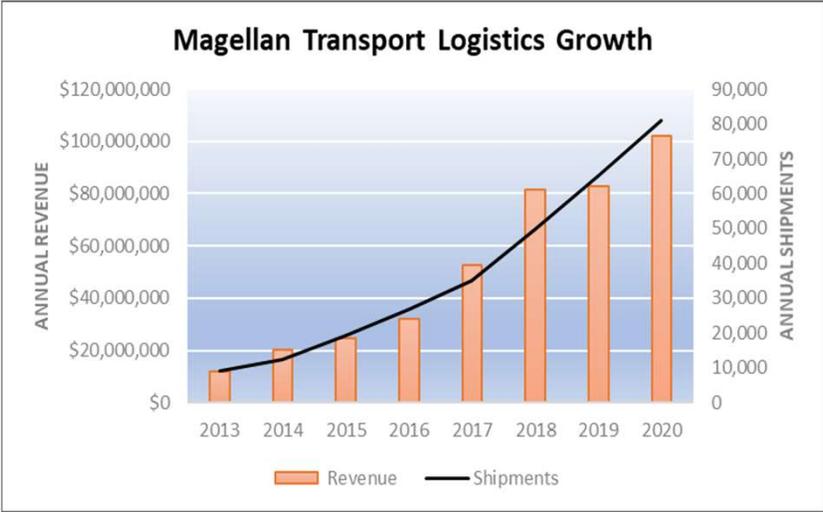
Goals

1. Connect Veteran Owned Entrepreneurs with opportunities
2. Help Government Primes improve their supply chains
 - Competitive Rates, coupled with Best in Class Service
 - Bolster Socioeconomic & Small Business Utilization Goals



Magellan Overview

- Nation’s Largest “Service Disabled Veteran Owned Small Business” Logistics solutions Provider
 - **Founded in 2006** as a privately held, S Corporation
- Owner, Tom Piatak, is a **graduate of West Point**, and a Service Disabled Veteran of U.S. Army, (1987-1991) - Army Corps of Engineers
- **Strong focus on hiring transitioning military** service men and women, over **22% of the 107 current employees are Veterans** and less than 5% employee turnover
- Centralized Control Tower and Customer Service Center in Jacksonville, FL with network **coverage across all of North America**
- Debt free, profitable and **highest insurance rating and coverage possible** by Wells Fargo for non-asset based provider





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Capabilities: Transportation & Logistics Management

MTL manage relationships with transport partners so clients can concentrate on their core business.

We have the technology, experience, and expertise to solve and manage all logistics challenges and move products from origin to destination.

Truckload

- Dry Van, Refrigerated, Flatbed, Step-deck, RGN, Drayage, Box truck, Straight Truck, & Expedited
 - Over 20,000 contracted carriers throughout North America
- Access to more than 300,000 pieces of equipment
- **System Integrated Satellite & GPS tracking**
 - Cellphone based application that feeds into our Transportation management platform
- Direct communication with carrier dispatch & driver on every load

LTL

- **No shipment or customer left behind culture**
- 55 carriers under contract (Regional & National)
- Leverage \$600M LTL spend with Strategic Partnerships

Multi-Modal Consolidation

- Creative freight optimization solutions
 - Each shipment is reviewed to insure most cost effective routing and planning
 - Complex Project Management
 - Milk Runs
 - Consolidation or deconsolidation
 - Zone Skip LTL or Small Package
 - Dock drop and pool drop

Managed Transportation (4PL)

- Superior Technology and IT resources
- Leveraging Six Sigma tools and methodologies to create solutions and apply metrics



Capabilities: Technology

Magellan Transport Logistics realizes the need to remain at the forefront of technology advancements. In 2010, Tom Piatak made a significant investment in a startup company - Quantum Edge Technology and assisted in building a state of the art technology platform that now processes over \$1B a year in annual revenue from non-asset based logistics providers.

- QET is also a service disabled veteran owned business
- Cloud based TMS accessible to employees and customers (via PC) anywhere an internet connection is available.
- Customer portal options feature load visibility, tracking updates and customizable reports to view almost any data output and configuration desirable
- Integrated with Four kites satellite tracking technology for real time driver position updates
- Can easily process one or thousands of loads from a shipper
- EDI & MRP systems capable

Home About Services Products Contact

Quantum Edge Technology

Established in 2010, Quantum Edge is a Logistics and Supply Chain software professional focusing on the North American market. We specialize in Transportation Management Software modeled for businesses large and small. Furthermore, we are proud to be listed as service disabled veteran owned small business and, as well, enjoy a 50% U.S. military veteran staff.

In 2011 Quantum Edge completed its first release providing a full suite of tools for supporting Intermodal, Truck and LTL brokerage needs. This release provided our customers the full service capabilities they needed to manage their supply chain needs. This years objectives are well underway and expected to conclude in the 4th quarter of this year. This large scale initiative has built on an already powerful product, largely focusing on logistics efficiency tools, tools we call our AdvantEDGE suite. The following is a full listing of our AdvantEDGE offerings with most already being leveraged by Edge clients:

Main Menu
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[Products](#)
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Logistics News
LM Editorial

- October intermodal volumes hit an all-time high and carloads see annual gains. [SAVS AAR](#)



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Awards & Recognition

- US Senate Small Business of the Week – Feb 2019
- ESGR Patriot Award – Working with and Hiring Veterans
- 2017 Wounded Warrior Project Certificate of Achievement
- Largest Veteran Owned Business within Jacksonville, Florida
- “Jacksonville’s Coolest Office Space” award 2019
- Abbott Laboratories – Mentor Protege Program
- Jacksonville Business Journal’s Fastest Growing Companies – Rank #12 in 2019
- Achilles Certified 3PL for Chemicals and Allied Industries
- Kehe Foods preferred carrier



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Case Studies – FEMA Support

- MTL is 1 of 5 carriers FEMA reaches out to for Disaster Relief Transportation support
- Zero failure rate is expected for all deliveries
 - 1 load failure and suspension
- Our entire organization is trained to swiftly deploy MTL’s solution to support
- MTL built a FEMA specific carrier base to support comprised of Large, Mid, and Small Fleet Carriers
- This proprietary solution is continuously improved
 - Each disaster, the team conducts a “game tape” review of what worked & what would be improved



Hurricane Harvey Support Timeline

August 24, 2017

- 1000: MTL Receives Solicitation from FEMA
- 1130: MTL Returns Proposal with pricing
- 1500: FEMA awards MTL contract
- 1900: MTL Leadership on flight to San Antonio

Next Day

- 800: MTL Boots on ground at FEMA DC in San Antonio
- 1700: 50 MTL managed Drivers/ Trucks onsite at FEMA DC

Next 3 Months

- MTL provides 24 hour coverage to execute shuttles to Disaster effected areas
- Shuttles to South TX & Houston then FL and finally PR



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Case Study: Coca-Cola / CVS Marketing Displays

Opportunity Scope: Delivery to CVS Stores

- 6,000 store front deliveries (across TL & LTL)
- Shipped over 3 weeks
- Optimizing Shipping Plan (**\$385K & 27% Savings**)
- Full MTL Team support (9 MTL associates)
- Customized Reporting & Billing

Planning Phase:

- Project Specific Carrier Procurement
- Merge Shipping Schedule with Supplier Production Schedule
- Proactive Communication with each CVS location
 - Flush out unique delivery requirements and create delivery plan

Execution Phase:

- Daily Customized Project Status Reporting
- Swiftly Resolve Delivery Challenges
 - Bad addresses, Client adjustments, OS&D issues

Accounting Phase:

- Audit each individual LTL invoice to avoid cost increases

Financial Results / Customer Savings:

Shipping Plan	Details of Plan	Spend
Non-Optimized Routing	LTL off the Dock with standard rates	\$1,410,420
Optimized Routing with Project Specific Carrier Procurement	1) Optimized Routing project across LTL & FTL with Multi-stop FTL, Zone skipping, LTL Dock Drops 2) Procured Project Specific Rates with National & Regional LTL partners	\$1,025,170
	Total Savings	\$385,251 27% Savings





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Case Study: Peak Season - Scalability

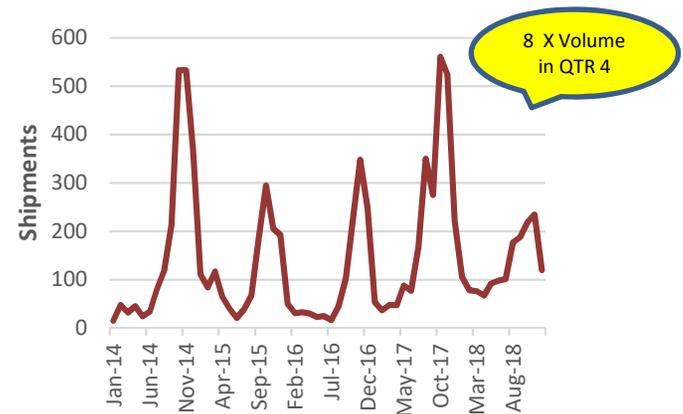
Issue: Peak Season Scalability

- Walmart & Limited Brands are consumer-packaged goods customer with extremely high volumes in the 2nd & 4th quarter
- Walmart - "Back to School" – Late 2nd Qtr. Demand
- Limited Brands – Holiday Shipping, 70% of annual shipments move during 4th Quarter

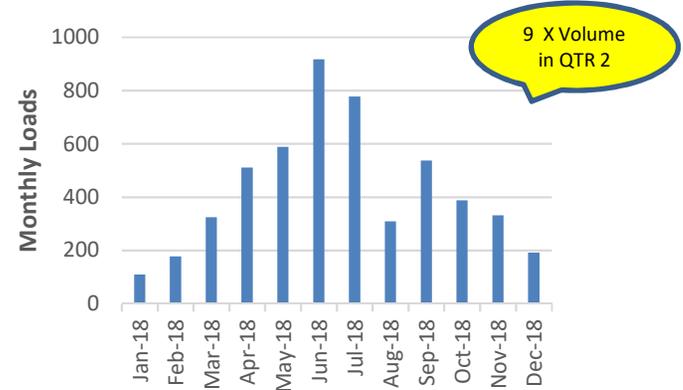
Magellan Solution:

Solution Feature:	Customer Benefit:
Dedicated Year Round Account Team	<ol style="list-style-type: none"> 1. Detailed records of all shipper and receiver locations 2. 100% acceptance all on tenders – No Fail 3. Customer first focus on all shipments regardless of costs
Centralized Control Tower in Jacksonville, Florida	<ol style="list-style-type: none"> 1. Flat organization for timely decision making 2. Ability to add resources from all operating branches to scale 3. 3 Shifts – 24 by 7 operations, 365 days / year
Superior / Customized Technology	<ol style="list-style-type: none"> 1. EDI Integration 2. Priority appointment scheduling at both origin and destination 3. Integrated satellite tracking technology for real time driver positions and updates 4. Proactive reporting and alerts on critical shipments
Preferred Carrier Program	<ol style="list-style-type: none"> 1. 60% of shipments with same carrier / drivers
Veteran Military Leadership	<ol style="list-style-type: none"> 1. Discipline 2. Standard Operating Procedures (SOP's)

Limited Brands - Loads Per Month



Walmart – Loads Per Month





How does MTL help Government Primes Grow?

- Outsourced Logistics Solutions delivers **value & 100% SDVOSB spend credit** for Category
 - *Outsourcing is common practice within Project Management, Logistics & Transportation Category*
- Customized Logistics Solutions to lower cost
- Drive significant spend in “Socioeconomic & Small Business” contract goals and earn more business

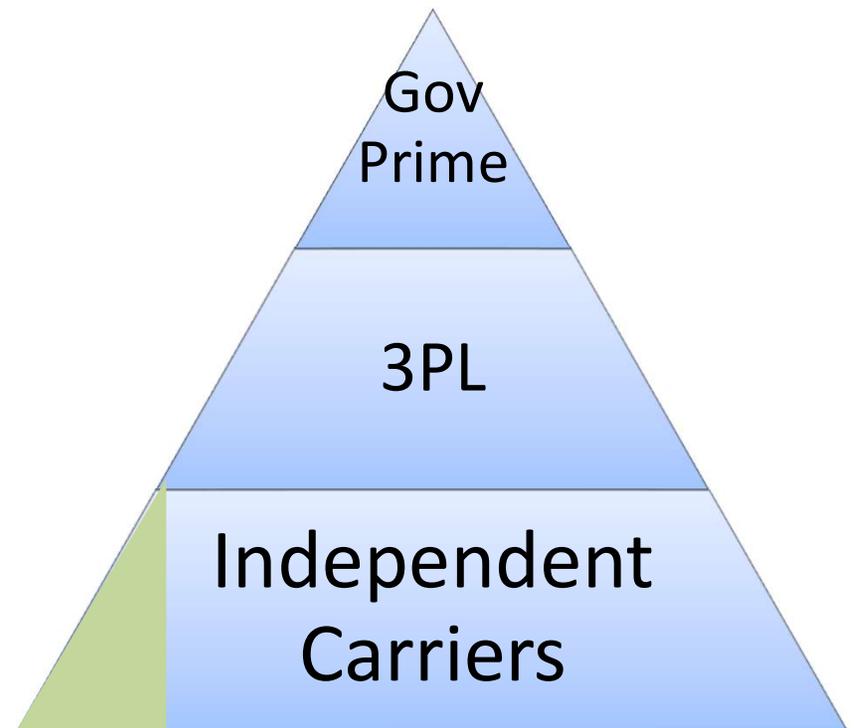
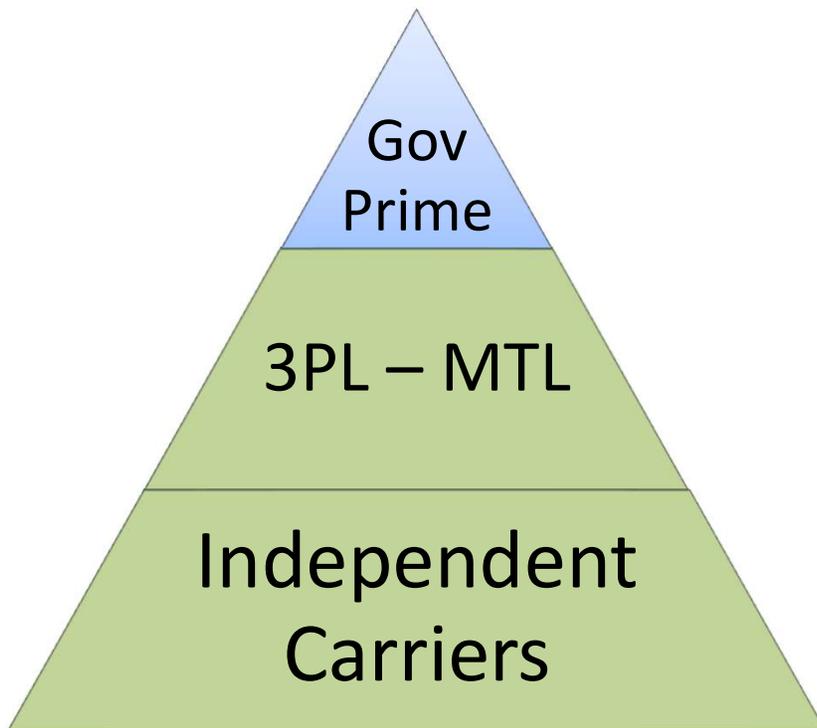
Procure	Rate	Plan	Execute	Settle	Six Sigma Solutions
*RFP & Bid Management	*Rating engine	*Mode, equipment, & carrier optimization	*Load Execution, tender and booking	*Freight audit & payment	*Kaizen Projects
*Rating & Capacity Market Intelligence	*Spot Quote management	*Proactively Stakeholder communication	*Consolidation planning	*Claims Management	*Transport Waste Analysis
*Carrier Compliance & Management	*Routing Guide Creation	*Creative Load & Route Planning	*Customizable Visibility	*Complex cost allocation	*Corrective Action Plans & 5 Why's
*Managing Carrier Capacity	*Volume Quote analysis	*Scenario Analytics	*Swift OS&D management	*FSC & Accessorial Management	*Solution Engineering
Technology		Business Intelligence		KPI's	Cost Savings & Avoidance



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Multiplier Effect for Small Business Spend

Small Business / SDVOSB Spend





Case Study: Impact of Outsourced Logistics with MTL

Prime Contractor Case Study: Impact of Magellan Partnership				
Spend Category	2017	2018	Improvement	Impact
2017 Revenue:	\$200,000,000 (Estimate)	\$200,000,000 (Estimate)		
2017 Transportation Spend:	\$6,529,895	\$5,995,982	(\$533,913)	Cost Savings
2017 Tier 1 Carrier Partners:	96	1	(95)	Lower Resources needed to manage carriers
2017 Transportation Diversity Spend:	7%	100%	93%	Huge improvement in Transportation Diversity spend
SDVOSB Certified Carriers:	1	12	11	More Diverse Carriers in Network
SDVOSB Tier 1 Spend:	\$501,859	\$5,995,982	\$5,494,123	Huge impact to Diversity Spend
SDVOSB Tier 1 Spend % of Rev:	0.25%	3.00%	2.75%	Huge impact to Diversity Spend
SDVOSB Tier 2 Spend % of Rev:	Not Tracked	0.20%	0.2%	Initiated Program and delivering results

- In 2017, MTL helped establish Diversity goals & metrics along with Logistics KPI's
- 2018 Results Review:
 - ✓ Reduced Unit Transportation Costs – 8%
 - ✓ Provide real time visibility of shipments via Transportation Management System – 100%
 - ✓ Reduced risk by outsourcing carrier selection and management to a 3rd Party – 100%
 - ✓ Reduced network OTR relocation costs – 8%
 - ✓ Improved service and communication with Field Operations
 - ✓ Diversified carrier base and encourage / track Minority Partner Spend (96 Carriers to 645)



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Case Studies – American Medical Depot (AMD) Partnership

- MTL Solution
- MTL manages daily deliveries from AMD DC's to VA hospitals across the east coast
 - 1 source of truth for all shipments via MTL system
 - Real time GPS tracking visibility
 - Carrier Management & Payment



AMD Diversity Spend in Transportation		
Timeframe	Diversity Spend	Tier 2 Diversity Spend
2018	2%	0%
2019 with MTL partnership	90%	24%

AMD Press Release on MTL Partnership

- The contract award results in the "Multiplier Effect" powered by a Veteran small business networking event conducted by the Department of Veterans Affairs Office of Small and Disadvantaged Business Utilization (**OSDBU**), Direct Access Program (**DAP**).
- AMD developed a profile of companies the VA vetted, invited to these meetings, and submitted a list of companies to MTL.
- Magellan then interviewed these firms and set up eligible companies on their daily email blasts where the companies have visibility to 200-400 non-dedicated transportation bid opportunities per day. This is the Multiplier Effect!

<https://www.prlog.org/12791841-american-medical-depot-awards-transportation-contract-to-sdvosb-magellan-transport-logistics.html>



How MTL can help Veteran “Asset Based” Carriers Grow?

- Access to Fortune 500 & Government Prime Clients
 - Build experience hauling via Magellan
- Daily Opportunities List – 500 available shipments to haul daily
- Expand Fleet with Dedicated Long Term Business Opportunities
- Carrier Coaching
- Quick pay options





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2020 Focus Areas

- **Drop Trailer Capacity** - across all transportation equipment types
- Flatbed equipment – specialized, open deck,
- Oversized & Hazmat
- **Straight Trucks / Cargo Vans**
- **Cold Chain**
 - Reefer Truckload, LTL, Consolidation
 - Warehousing
- Less Than Truckload
- White Glove
- Final Mile Deliveries
- Drayage Carriers
- Liftgate Equipment (both Dry & Reefer)
- Chassis Repositioning
- **Government Clearance Drivers**
 - Public Trust up to Top Secret
 - If not already cleared – are you interested in pursuing clearance
- **Partials** - drivers interested in hauling few pallets
- Consolidation Networks
- **Riggers, Cranes, and other specialized installation equipment & operators**
- Cross border – US, Mexico, & Canada
- OCONUS shipping



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Contract Vehicles

- FEMA Emergency Management “Go To” Carrier
- DOD / DLA Direct Carrier
- VA Direct Carrier
- US Army - Logistics Civil Augmentation Program (LOGCAP) Subcontractor
 - CONUS & OCONUS
- VA - Medical/Surgical Prime Vendor (MSPV NG) Subcontractor
 - East Coast Distribution to VA faculties
- TSA - Transportation Security Deployment Services (TEDS) Subcontractor
 - Deliveries, Rigging, Warehousing to Airports OCONUS & CONUS
- GSA Approved TSP supporting various Agencies
- Pursuing GSA Schedule



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Partnering Types

Dedicated Daily Loads

- Drop and Hook
- Milk Runs
- Tell us what business you prefer and we will find it

Government Contracting Teammates

- Base operations contracts
- Cleared Drivers
- Warehouse & Distribution

Ad hoc Shipments to get you home

- Leveraging our entire network
- Daily Load lists
- Partial

Project / Program Work

- Break Bulk
- Drayage
- Rollout's
- Rigging, Warehousing, Crating



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Calls to Action

Asset Based Veteran Carriers

1. Visit www.magellantransportlogistics.com
2. Get signed up for daily load list

Load Board

Join Magellan Transport's network of carriers who receive our daily load board. [SIGN UP](#)

3. Complete New Carrier Packet

Get started with Magellan Transport Logistics

[MAGELLAN BROCHURE](#) [NEW CARRIER PACKET](#)

4. Email our Supplier Diversity Team
 - SupplierDiversity@magtl.com
 - 866-699-9394

Government Prime Future Clients

- *Please reach out to discuss the value our team of Veterans can deliver!*

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Thank You for your time and Partnership!

Technology, experience and expertise...
To solve logistical challenges and move your product to its
destination.



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