Outro/Intro (00:05):

It's time for supply chain. Now broadcasting live from the supply chain capital of the country. Atlanta, Georgia heard around the world. Supply chain. Now spotlights the best in all things, supply chain, the people, the technologies, the best practices and the critical issues of the day. And now here are your hosts.

Scott Luton (00:35):

Hey, good morning, Scott Luton. And we'll hear way right here with you on supply chain. Now. Welcome to today's episode. We've got a great one in store wheel. Are you ready? I'm ready. My friends. So we're going to be, we're going to be running. We're going to be covering all the bases here today. We're gonna be talking a little bit of baseball. We're going to be talking a lot of supply chain tech in particular freight tech with a business leader and a company that's helping other organizations streamline their operations and really, you know, making their freight much more visible and work for them, right? Yeah, absolutely. Yeah. I can't wait to talk to, should we reveal his name or? Yeah.

Scott Luton (01:15):

So, uh, to our audience and community, Hey, stay tuned for a great conversation and a fun conversation, a little bit of baseball and a lot about some of the cutting edge stuff going on in the supply chain tech space. Hey, quick programming before we get started here. If you enjoy this conversation, make sure you find us and subscribe for free wherever you get your podcasts from. We do offer a money back guarantee. So with no further ado now we'll we can bring in our guests here today, JP Wiggins co-founder and leader of corporate development and business strategy for three GTMs. JP, how are you doing? Oh, great. Hey, glad to be here. Thanks guys. So, yeah. Hey, well, JP has got kind of a, he's got like that baseball player named Dutton. He does. He sounds like a, sounds like a platoon first basement. It is.

Scott Luton (<u>02:05</u>):

It's not, it's actually more of a second basement's name. I think over if we go through the time, I was trying to think of the second basement that had Morgan initials for the names, but definitely I'm an outfielder. Just, just to put it out there. The first time he came home, I went hunting. I thought for sure, I had an old Don Donruss or Topps baseball card with JP Wiggins on it, but I'm still on nothing down, but nevertheless we'll say baseball for just a minute. Cause you know, JP has been great to have you on the show several times now. So, so a lot of our community members and audience will recognize and recognize your story. But for the two people that may be new to you here, tell us a bit about yourself. You know, I kind of consider myself an entrepreneur in the transportation logistics space. So I've founded and co-founded four different startups in the industry. Uh, first one was a company called with WSCC. We sold it to McHugh. Freeman became now Paul's blue yonder. Didn't another one dxdt we sold that to Descartes, uh, you know, work for Descartes was general manager of when we went public,

JP Wiggins (<u>03:00</u>):

Uh, then did another one called G log, which we sold Oracle transportation management, worked at SAP for a while in their travel and transportation business units were in there. That was a unit responsible for SAP TM and warehouse management piece. So spent a lot of time there. And in most re LLC, we did the startup here with the 3g TMS where, you know, co-founded it with, uh, some, some of our former friends and been in this for it'll be eight years in April actually. Now, so again, we're T T as the name says TMS transportation management system. So w

Scott Luton (03:28):

I lot more and make sure folks know exactly what y'all do. I gotta ask you though, you just rattle off a ton of marquee names. Uh, and a lot of names of folks were recognized. So you've been there and done that numerous occasions. Can you tell me, what was your, one of your favorite environments to work in amongst all those cultures, all those situations environment. What's one that you really enjoy?

JP Wiggins (<u>03:51</u>):

You know, I love the entrepreneurial startup. I mean, it's tough, it's hard, you know, when you start a company up, you're putting in that a hundred hour weeks, and you're doing everything from cleaning toilets to, you know, doing your accounts payable. But, you know, on the other side, the one thing that was really surprising to me is when I went to SAP, you get the big corporate annuity and everyone has, you know, some people have outside views of SAP being this evil, ugly, giant. But when I got in there, the corporate culture was really professional. So, you know, it was a whole different type of atmosphere, but it was refreshing because, you know, you're working with very smart other professionals and sometimes on smaller companies, you don't get the higher that caliber professionals to work with your you're working with your cousin or your uncle, or, you know, yeah. You know, once you have a name, you have a network, you can start pulling in the best in the industry. So, but you know, it was just, it's different. So I, you know, I kind of look, you know, hindsight's 2020, but I, you know what, I really loved everywhere I work. And I can't say that, Hey, this was a favorite or this wasn't a favorite. So, and then I've worked at the biggest companies in O and done startups. So, you know, it's all good. It's just your worlds, what you make of it. Right.

Scott Luton (<u>04:50</u>):

It's all good, man. One of our favorite shows here in Luton house sold, saw good man, love that show. All right, well good. And by the way, SAP, you know, we just collaborate with them on something to NRF and to your point, I mean, incredible professionals. And I really loved their, their approach to creating content, right? Very agnostic. Story-driven about

JP Wiggins (<u>05:09</u>):

All customer driven customer driven, take a customer. You want to tell something, you talk about how a customer is doing and that's how you express yourself. So it's a great approach. And actually that stuck with me and I still do here. And that's probably my lead approach. And we talk about things here at 3g is say, Hey, this is the success that I've done with XYZ company. And this is what they say. And other than that, everything else is just marketing noise. I mean, how much do you hear? It's just a bunch of crap. Someone says, I'm going to save your 30%. Well,

Scott Luton (<u>05:33</u>):

Everyone says that, right? Everybody does. Um, right. Well, as much as the story needs to be about the customer, the story needs also weave in some baseball. And that's where all three of us have a passion passion in spades for the game of baseball core course will hairwise legendary will. Back in the days of some of the earliest shows were at the SNC three jumpstart, in fact, where we met you, JP that's when I really realized that I might be in over my head with just how much will knows about baseball, including my own team. Cause you have three kids have killed my memory. I used to build a rattle off stats, numbers in place, but will, is a student of the game. But as is JP Wiggins. So JP, we're going to talk a little baseball, JP, you're a big student of the game, you Indians on par and they could be Indians fan on par

for high school teams. And you donate those paychecks to charity, which I think is really cool. Oh man. That's awesome. Yeah, it really is. What, so what's, what's your favorite part about the game baseball?

JP Wiggins (<u>06:32</u>):

You know, I got to be a class one umpire here in the state of Ohio. So I'm certified. It's, you know, the baseball for me is like an onion and the more you peel it back, there's just so many different layers. And I know Will's into a whole different aspect of the game, the players, the statistics, the histories, the teams, I'm not into that. I'm actually into the mechanics of the game itself. And that's actually, you know, it's a kid's game. Let's be realistic. And at some point they're gonna come and tell you you're too old to play this game. And I was 15 year old when they told me I was too old to play and I had to make the high school team. But then I got into umpiring because I learned a whole nother layer of the game. And I'm one of those guys that can sit and watch a pitcher's dual in a game that's decided one and nothing and really get a kick out of it because I can understand them.

JP Wiggins (<u>07:12</u>):

I'm watching that catcher flip in, Oh, he's going to call the inside curve. No, he's throwing the slider. And I'm like, no, you can't throw the slider. You know what he's going to do with it? Hope there it goes. So, you know, that's, that's that detail level that then the way the mechanics works, the emphasis on the rules, the unwritten rules. I mean, that's what I really love about the game itself. So more than, yeah, I follow the professional teams, I watch it, but I really, I go to more high school and travel ball games and little league games and the passion that these kids have and the athleticism, and I can just see what it's doing for their life. You know, you're dedicating yourself, you're really learning something. And I dunno, I get more of my, my enjoyment from baseball actually comes from the non-professional level, then the professional level itself. So like I said, it's an onion. You just gotta keep paling layer on that layer back. So

Scott Luton (<u>07:57</u>):

Is about that, right? Yeah. Um, all right, so we'll same question to you. I know you're a very passionate about the game. What, what's your one favorite element?

Will Haraway (08:05):

Well, before, you know, I do like, as you already know, Scott, I love that. I love the history. I'm terribly sad about all of the, you know, hall of Famers that have died in the last, you know, four to five to six months, including Hank, Aaron, just yeah. Bob Gibson and Lou Brock from the Cardinal family, you know? So I, I love the history and how all of that connects without question. And I still, like, I can still run lineups in my head from 20 years ago before. I'm good. If I'm trying to make myself go to sleep, I'll do that. So, so I do love that minutia of the game, but JP, just because you're an empire when I used to play, I remember early on when I was a pitcher and I thought I was pretty good. And my dad was obviously at the game and watching me and I was, I was throwing, you know, I thought pretty well.

Will Haraway (08:51):

And I didn't think I was getting calls. I think I was maybe like 12 unit. And I didn't think I was getting calls. I was like, what is this call? And I started like peeking in at the amp and like kinda peeking in at him, like, that's my call, you know, not did it like throughout a half inning. And like, the UNC was super cool about it though. I mean, I was definitely being a jerk, like a jerky little 12 year old, you know, and he just kinda came out there and hitched up his pants. He did not show me up. Like I was showing him up, he came up there and he was like, son, if I see you do that again, we're going to have a major problem. And he

just said it just to me, you know, just like, no, sir, you got it. And then when even I got, you know, got in the car and my dad was like that ain't happening anymore, buddy, if you want to play baseball. So I don't know.

JP Wiggins (<u>09:35</u>):

You'd love me as an empire. Cause my strike zone is the, you just cause, you know, in my level high school level, you know, it's, it's funny batters turn around and look at me all the time, go what? That was a strike. And you know, he's like he was expecting bowl for a walk and I tell the batter what no one ever made the team. Cause they could take a walk, dude hit the ball. The next one's a strike to just you watch.

Will Haraway (09:53):

Exactly. Yeah, exactly. Well, all right. So I appreciated that.

Scott Luton (<u>09:58</u>):

Yeah, I bet. So let's talk about a couple of the elements of baseball. So first off I want to touch on a couple of rules, changes that may or may not stick for the 20, 21 season. We'll see what kind of season plays out. We're talking pre pre-show about the rule change of the runner, starting on second base as they went into extra innings, just started in the 10th or 11th. I couldn't remember 10th understanding we're sending of extra innings. So will you go first here? Yeah. Your thought of that rule and will it stick?

Will Haraway (10:27):

I thought I was going to hate it. I did not like it one bit when they announced it, I thought I was going to hate it. And then the first time that it happened actually really liked it, you know? And I was like, Oh, this it's exciting immediately. Cause any fan on the level of the, the three of us had sat there all night, you know, in a six to six game when the players are dog tired and they keep bringing in relievers and the hitters absolutely can't hit him, you know? And it just goes to 13, 14, 15 innings. And it's just, you just want it to end at one point. And, and the other thing is that it it'll ruin your team for like a whole solid week, you know, pitching staff for sure. So if you could just get it over with, you know, I think that, I think the odds of it even out, I mean there's probably one or two that you'll be pretty annoyed at like one wild pitch, one walk and then a bloop single in the game's over. You'd be annoyed at that. Sure. But that'll happen for you on the other end too. Eventually I wouldn't want it in the playoffs though. They'd have to kill it in the playoffs, whereas

Scott Luton (11:26):

we need to do one, uh, three. Um, all right. So J P your quick take.

JP Wiggins (<u>11:32</u>):

Yeah. Same thing. I guess for me it was, if you think about the regular season, teams are playing almost every night or multiple games, you know, maybe they have one day off. And if you think about it, you got to keep, you want a fair game for the next game. You don't want to have a team that blew out their entire bench. And you know, their bullpen is actually shot on the game before. So I actually liked the rule because it helps us preserve the integrity of the game for tomorrow's game or the day after his game. So, uh, when we saw this happen, time and time again, throughout history, which is team blows out there, you know, they go to that 17 innings or whatever, and they've got no, no bullpen left for the next game and they lose the next two games trying to catch up. So it just, I think it just, it makes for better baseball, if nothing else that, and I hate waiting, I'd stay up till two in the morning, watching those games to

Will Haraway (<u>12:19</u>): Game.

Scott Luton (<u>12:19</u>):

I, I like, I like Will's point. I love the game. Love that rule change in a regular season. Hate it in the playoffs, but we'll see, we'll see how it plays out. Alright. So one last tidbit about baseball. I want to go round Robin JP, you're a big Cleveland fan. Will's a big St. Louis fan, big Atlanta Braves fan. Let's give you in a nutshell, the reader's digest version of the season they're going to have in 2021, JP, let's start with you.

JP Wiggins (<u>12:41</u>):

Yeah. Indians are going to go above 500 baseball, but they're not going deep in the playoffs. This is more of a rebuilding year. They don't have the money to basically put together a team to go deep.

Scott Luton (12:49):

Well, okay. That was really reader's reader's digest.

Will Haraway (12:53):

I think the cards will do the exact same thing. They've done the last two years when she was either win their division or make their playoffs, but through no real effort of their own, the rest of the, every team in the central, actually in both centrals, J B can, it can appreciate it. It's not spending any money. And so like the Cubs have had thrown away. You Darvish, they're getting ready to trade Chris Bryant, I think, which is insane to me. But the, but it sounds like they're going to, the brewers are just hoping that Christian Yelich returns to MVP for him and they're not making nobody's doing anything. So simply by the fact that we, that the cards have an incredible pitching staff will probably win 85 games and that'll be enough. And then we'll get crushed by the Dodgers or the Padres in the playoffs. Like we have the last couple of years or the nationals last year.

JP Wiggins (<u>13:38</u>):

How do you beat the Dodgers with that money? I don't know. Yeah. Yeah.

Scott Luton (13:41):

And the Padres talk about off season. The nationals have been signing several free agents that I'm afraid. I think the Braves, a quick prediction, I think they'll make the playoffs, but they've got so much talent. They need a couple of those big pieces. And with the ownership situation and with the market economics as will points out, you know, it's going to be hard to replicate a year, like last year where they had the Dodgers on the brain and just couldn't quite do it, but we'll see. All right. So as much as I hate to move on from the game baseball, there's so much more there to, to tackle I'm sure for the handful of folks that don't like the game baseball, let's talk supply chain tech. So before we do that though, JP, uh, we're we just wrapped up, thankfully, in fact, we're almost wrapped up the first month of 2021. So 2020, although the, the effects and circumstances, some of the dynamics have not left us still the ears

gone, thankfully. So at least there's that, but what's a, what's a couple of key takeaways or Eureka moments from a year like 2020.

JP Wiggins (<u>14:44</u>):

Can I talk politics? Sure. No. I mean the two big ones for me first off was an easy one, which you know, hit. And we are a software company. We built eight years ago. I started at in the cloud company. So we're a hundred percent cloud born and we were selling our software. First people were telling us, uh, well, how can I buy your software? What happens if the internet goes down? I won't be able to ship my freight. So they wouldn't buy our software because they were worried about the internet going down. I'd literally had some of those same exact people calling me up going, what do I do now when I can't go into my office to ship my freight. So versus our customer base, I'll heck that, you know, any customer, they just, you know, grab the laptop and ran it. So it's kind of that Eureka moment, which is, you know, this, this internet thing, it's, it's pretty cool.

JP Wiggins (<u>15:27</u>):

But you know, the whole shift in balance from just, just to shoot when we started the startup five years, six, eight years ago, sorry to say, you know, I don't want to buy your software because your internet only, and you know what happens when you go out when the internet goes down. So versus, yeah, so it was just kind of Eureka. The other re re kimono was just, is the strength of our country. I really do believe in our two-party system. I do. And I don't know if you're Republican or Democrat or you believe which method is, which is right. But I believe that somehow between the two of them, they figure it out that I know it doesn't look like we do stuff and things are hard, but yet the resilience of our economy, our economy came through this pandemic and actually it came through pretty dang good.

JP Wiggins (<u>16:06</u>):

Yeah. Our whole private sector. Yes. Things are slaughtered. But even in my customer base, I have whole industry clusters. Like my automotive industry cluster completely disappeared for me on three months. We see, because we get charged by transaction and there's like zero transaction go in the automotive industry versus in other sections of the company industries, you know, food and beverage and stuff was just going crazy. So, but in general, everything's bounced back. I mean, yeah, we're stuck on restaurants or everything's changed, but the strength of the economy to be able to get through this pandemic was kind of, you know, it shows you how really good we have it, how good our whole overall system is, is that we can punch ourselves through this pandemic,

Scott Luton (<u>16:42</u>):

That the, um, the workforce behind the economy. And we were talking earlier today with a shipping company and a bank that puts together a wonderful freight index that speaks to what's going on. We spent a ton of time talking about drivers and, and just how they don't get enough recognition. They kept the economy moving. They kept stuff moving. Of course, you've got retail clerks, you've got supply chain workforce. Of course, you've got folks in fulfillment centers that have enabled e-commerce for many consumers to honor the quarantine and still get stuff in and protecting their psyche. So the workforce behind this economy has just the American economy and global economy has just been nothing short of remorse,

JP Wiggins (<u>17:21</u>):

You know, and us on the tech side, we're able to respond. I mean, we have wholesale changes go on in the industry and tech, I mean, we fast forward to tech like e-commerce modes and distribution modes. I mean, we fast forward to two to three years in the matter of three to six months.

Scott Luton (<u>17:34</u>):

Yeah. That's a great point. But we were at NRF, I heard Wal-Mart's chief customer officer speak Janie. I can't remember her last name. And she mentioned exactly what you said five years of digital transformation in five months, I think is the exact quote that they've been experiencing. And she also said that thankfully Walmart, and I'm not a quarter. Exactly. But, but thanks to how they've been, been investing in their supply chain for over a decade really helped, uh, keep stuff on the shelves in many ways. Now, of course, in any retailer, any, including Amazon had certain challenges of certain items, but it's really testimony to the technology, the economy, the workforce behind it, how we persevered through this incredibly unique and challenging times. Well, what's what sticks out with JP shared some of his Eureka moments, what sticks out for you?

Will Haraway (18:23):

Yeah. I mean, we've you and I probably talked about this throughout 2020 and the, you know, when we've done these podcasts is again, uh, just, you know, I'm a positive guy and I can, I can find something positive in just about anything. And in this case, it's the fact that this really was a spotlight on the supply chain that maybe the rest of the world, uh, you know, didn't understand just exactly how things get to their homes or, or get to stores and get to the grocery store and the minutia of all of the letters that get pulled to make that happen. And the people behind the scenes that make it happen from the tech developers down to the drivers, you know, and be able to respond on macro levels like, okay, your sourcing is disrupted in China. Okay. Well now I've got to start from near sourcing. I've got to start reassuring. I've got to start looking at what can I do in Mexico? You know, what are my options? And people were able to do that and look at three PLS and, you know, just be flexible. And that's been the most impressive thing to me as well. I mean, it's just, we just adjusted, but in a way, that's what supply chain has always been. That's been the strength

JP Wiggins (<u>19:29</u>):

Agreed. I mean, look at this shortages. I mean, really, we don't talk about shortages anymore because yeah. You might have some products shortages in certain sectors and stuff like that. But even the only real shortages that really happened was shortages related to some, some paper products and, and there's some specific reasons why we're that, but even that industry, you know, adapted and overcame adjusted. So it's like the amount how quickly we're able to adjust in supply chain and, and actually make it through it. I mean, wholesale changes to our distribution chain distribution wise. I mean, before we were all set to the manufacturer to distributor distributor, to retail or retailer to consumer, and now we've just completely bypass a lot of things. And now it's direct to consumer or direct near consumers, kind of the whole strange, and it's just like a complete redesign of your network, but we did it. We just did it. We just, you know, not even thinking about is, did it

Scott Luton (20:17):

Beyond, beyond the conditions, uh, that the pandemic imposed on the world, this shifting consumer buying preferences, w two, to react to that and how so much industry adjusted. I'm not gonna say pivoted, gosh, I've heard that every, every other sentence, but it really is. It's remarkable. It is remarkable, but we all know that to do all that. You've got to have an incredible technology platform, regardless of what sector you serve or what aspect of the operations. We're going to focus a little on the transportation side, uh, given three GTMs here. And so as we segue here, tell us a bit JP for again, for the three people that may not know, what does 3g TMS do?

JP Wiggins (20:58):

We're a non-asset based multimodal transportation management system. That's how gardener cloud classifies this section. So basically what we do is for shippers repeals brokers is we manage orders, your customer places, an order for your product, 100 orders. You might have a thousand customers and you need to figure out how to physically execute that movement, how to physically get it from point a to point B. And what we do is we manage those commercial carriers. So whether you're going to put it on parcel or ship LTL or truckload, you need to build multi-stop truckload. You need execute with those carriers. You need to track freight while it's in transit. You need to pay those freight bills. If for three PL you need to figure out your customer charges cause you've managed that service for you. So that's in a nutshell what a TMS does. So it's, it's a classic thing.

JP Wiggins (21:38):

That's an add on your European managers, your finances, and maybe you have warehouse manager assistants. We're looking to those to get us the orders and to tell us inventory availability. But we're the actual execution, which I like to say, we're actually what touches your customer when you're actually delivering freight to the customer. It's your TMS that made that decision for you. That's then responsible for that customer transaction of physically getting them that goods and your product and services. So, you know, that's, that's what TMS is. Do you know, modern TMS is we're born in the cloud. Rating is a big piece of what we do, you know, managing the rates, managing which carrier is best. And then it's all constraint driven. So which carriers are going to be best? What modes are going to be best? Can I maybe consolidate shipments? Maybe I can build multi-stop truckloads, you know, all that good fun stuff, but you know, Hey, if you're a company, typical averages is you spend about 10% of your revenue on your freight transportation.

JP Wiggins (22:29):

So maybe eight to 10% is going to spend on, you know, some, most industries are higher, some are lower, but you know, you're a hundred million dollar company, you spending \$10 million on this. So, uh, you know, uh, some companies take it as core business, some outsource to three PLS. So we saw Bo will sell both to the shipper, like that's real popular and food and beverage, where, when you're buying the food and the beverage, you're not just buying the product, you're actually buying the fulfillment of the supply chain. You're buying the actual delivery. So companies that take that in house, versus some of it, turn it over to three PLS and then they have a three PL that manages it for them. So our software works in both cases, actually do that freight execution, you know? So

Scott Luton (23:05):

It seems to be like the age of TMS, right? I want to make a few assumptions. The data is our fingertips and more the disruptions taking place across the freight industry. Well, first off is that right as me, I'm not in the TMS business, it seems like there's been so much more attention and investment in this space is, is, is that right? And number two, why?

JP Wiggins (23:26):

Yeah, it's been literally, I talked to Gardner in the analyst group earlier today and it's been the highest rise in TMS in the history of the industry. And it's actually growing it faster than any other segment in supply chain for supply chain technology against WMS is supply chain demand. Networking companies are right up there too. So, but it's now, you know, it's the number one thing they're getting asked for from the shipper side. And why is that? Well, companies take a look what's happened. We've had these major disruptions that happened in the pandemic costs have skyrocketed in many different sectors and modes of transportation. Those costs have hit the bottom line and you've got CFOs out there going do something, do something, you know? And, and so what's one of the best ways that you can do something is to take more of an automated approach to your command and control of your transportation. And that's what TMS is do

Scott Luton (24:14):

So excellent. That that is a, you are a very succinct on the money communicator, JP, if you're going to, if it needs 17 syllables, to get a message I'm jealous, I'm very jealous of that ability. All right. So we'll in a minute, we'll was going to ask you about more about the environment and some tips for, for shippers, but let's talk about this version 20 dot three release. So I was on your website earlier. There's a slew of aspects related to this release rather than go through all of them. Just what's one most important aspect of this release and why does it matter? Well, we kicked out

JP Wiggins (24:48):

Q4. Um, we still have a very large R and D staff. So a TMS are very, very feature, function, oriented software. We're not something that you can throw together a quick TMS with just a couple of folks, but literally we're talking, I have 50 plus resources on the R and D side, and we've got eight years into this and we're talking 50, 80, a hundred million dollars of R and D costs into these types of things. So our 20.3 years, our Q4 release last year, and we're doing an agile release. So we kick releases out all the time, but we did a lot around brokerage capacities, uh, brokerage environments, whether you're a shipper, self brokering and finding brokerages, or you're an actual true freight broker. And you're doing that margin game of finding capacity to truckloads. So, but we did a lot around finding carrier carrier sourcing is a big feature that we added into and safety and enhancement.

JP Wiggins (25:32):

That's huge. You got to make sure your carriers are insured and that's like the number one thing. When you onboard a new carrier, does they have the proper insurance? Do you have the right insurance coverage? Cause if you ship a freight without the right insurance and you get into an accident, you literally can put your company out of business. So, you know, a lot of load advances and things like that too. So another coolest ones we did as a lot when we do a lot of planning and optimization is figuring out like member, when you place an order, the order management system just gives us details while they ordered 16 widgets. And here's the dimensions and stuff like that. But then we have to let the computer figure out, well, how does that fit in a truck? Can it be stacked? Can it be palletized? How do you actually build the pallet? So we put a lot of features into palletization and stackability, which allows us to, when I'm looking at cram and orders into a truck, well, how many orders fit and which ones fit best and, you know, do that whole game there. So there's a lot of itemization features that we put in there. So your

Scott Luton (<u>26:23</u>): Protractor. Yeah, exactly.

JP Wiggins (26:25):

Yeah. Well, can then, can I stack something on top of it? Cause you know, the trucks are what and how, you know, actually Paul and my dealing with a 48 foot truck or a 53 foot truck or double pops. I mean, there's a lot that goes into that. That gets to be real complicated real quick. So that's some of the big ones, you know, the other one is obviously you guys know, we, we merged in with pace jet, you know, the parcel system, so have our parcel software and we add a tons of stuff so that we're taking all that tier one parcel management and using an TMS planning also. So it just allows us to just take that best of breed stuff, uh, when, when I'm doing my TMS planning. So that's kinda what I did. So folks have it all. Excellent. Yeah. That's great.

Scott Luton (27:00):

So let's shift from 3g TMS and the platform and some of the upgrades there. And I love the focus on safety, safety, safety, safety. In fact, talk about, will, you're talking about silver linings related to the pandemic that incredibly enhanced corporate focus on safety is certainly something to hope sticks around for years or decades to come. We'll see. So we'll where are we going next then? We're talking about the environment next,

Will Haraway (27:23):

Right. Well, you know, we talked about the fact that TMS has been, there's been a big focus on team that's in the supply chain in the past couple of years. A lot of that has to do with trying to make sense of the, of the always shrinking capacity that you'd see. And that was even before the pandemic, is that the capacity, you know, for loads, the capacity for ocean shipping, air shipping, you know, uh, over the rush shipping. So especially in the context of your, of your, you know, your new releases and your updates that 3g TMS is making, just what can you give some advice about the ways that people can use their TMS to successfully navigate this limited capacity environment? And that was before the vaccine starting to be shipped all over the country, taking off the reefer capacity.

JP Wiggins (28:11):

Yeah. I mean, we're seeing if you want to go from a statistics perspective capacity, isn't the issue, it's the costs that go up and that's, it's, it's a supply and demand type of market. So there's less capacity. So your costs are going to go up so you can find capacity. You're just going to pay for it is really what it comes down to, you know, to make matters worse. You know, we talked about Amazon a lot, Amazon it's formed a brokerage wing and they went out and they locked up a very significant percentage of North American truckload fleets. So no one will tell you exactly what it is, but my best guess it's close to 10% of North American fleet capacity was locked up by Amazon. Now their whole theory was, is they were going to then broker out that excess capacity to shippers as a digital freight marketplace.

JP Wiggins (28:52):

But it was like a crystal ball move in. Some in there it's just sleeping with angels. I swear because they, they mainly did that to make sure that their growth wouldn't be hampered by the lack of capacity that happened to them in the past. So, but then they locked up these fleets. So, you know, and so in other words, our capacity for the gentleman market is even worse because Amazon took over a major percent of the capacity in North America, too. So for their own needs, now they're not really brokered much out because they need, you know, they did some wonderful things, so great things going on there, but for the rest of the market, I mean, you're over a year from January of this year to last year, we ran some basic stats on all freight going through my system. And it's the same percent.

JP Wiggins (29:30):

I mean, I use dat and freight waves and some of the other, some service services out there, but freight is up 27% right now, January. So you're paying 27% more for your freight this month than you were January or last year. And this is all pre pandemic. And that's before fuel starts to kick in fuel gets adjusted weekly for truckloads. I don't know if you guys know this or not, but every week you pay, you pay your freight for your truck and then you pay your fuel surcharge. And that freight charge gets adjusted every week. And fuel's cheap right now. It's going to get expensive. You know, I don't care what political makes you feel full fuel was going to get more expensive in 2021. So more likely than not by the end of this year, you're probably going to be paying 30, 35% more for truckload freight than you were last year.

JP Wiggins (<u>30:11</u>):

So think about what that really means. I mean, if you're a a hundred million dollar shipper we're talking about and you're spending \$10 million on truckload freight, well, you're not going to be spending an extra 3 million and that 3 million is going to come right out of your bottom line. So it's something you gotta pay attention to. And you know, an answer to your question, what can a TMS do? Well, our TMS is, you know, what we do is we find the best alternative in the abilities that currently exist. So in a, in a constantly dynamic and marketer, you may want to figure out different mode shifts like, well, maybe I shouldn't ship truckload to this. Maybe I can put it on LTL, or maybe I can put some of my parcels to LTL, or maybe I consolidate some of my parcel down. Maybe I can do different modes, like pool distribution, you have to automate and you have to rate shop.

JP Wiggins (<u>30:54</u>):

And it's so complicated. You can't do this, man. You got to have a system that does this for you. So automation and remove that manual process, take the manual aspect of it, let the computer figure out the best way to execute freight and then have your people focus on the exceptions. So I mean that, that's what you gotta do in TMS today. And so the only way, you know, yeah, you put a TMS just by doing better planning, better optimization. Most people save 10% is the classic, but in this COVID environment, because your choices can be really wonky. I mean, like that carry capacity. A lot of times what a carrier will do is what's a charge at two bucks a mile, you get a quote from, well, it's going to be two bucks a mile. Well, a lot of times what carriers are doing now is they don't want that load, but they'll come back and give you a quote of like \$4 a mile.

JP Wiggins (<u>31:37</u>):

All right. They don't want that load. But if you come back or your system doesn't care and they give you four bucks a month, they'll find a way to move it for four bucks a mile. Know we're seeing this even in parcel. I'm sorry if I'm rambling on here, but USBs just put in some surcharges on USBs, you know, some oversize parcels that you ship with USBs, they still will take them. They added a hundred dollars surcharge. All right. So if you're just shipping that package normally through USBs, and you're not rate shopping, you're going to just start paying that a hundred dollars surcharge until somebody gets the bill and says, you know, so that's why you have to have a TMS. That's doing a real-time rating because rates are so dynamic right now. They're literally changing daily. And you got at this rate shop on every shipment every day and find the best way to optimize it and manage it. Then you got to have a system to do it. And that's what modern TMS is do so

Scott Luton (<u>32:25</u>):

Well. Was that a ramble? No, it was a rant. That was a rant. That's what I was hoping for, man. We got a certification there and frightened TMS will I believe? Yeah, absolutely. All right. So tell them information. I want to ask you this question. You know, what's the one thing I'm afraid to, as we've talked about with TMS, but also in the greater picture with freight, you're so much being talked about. There's so much focus. There's so much emphasis. Even. I know we're kind of focused more on a ground transportation, but if you look at ocean shipping, uh, the month of January, I think, I think according to a certain data, you know, for the last, I'm just picking some round numbers 20 years, I think it's been about 1800 containers lost over the course of a year, right? We've, we've lost through three or four incidents already in the month of January, um, over 4,000 containers. And we're talking hundreds of millions of dollars. You were touching on insurance earlier, JP, what a crazy time, but what in the wild world of freight, what, what isn't being talked about that needs getting more attention.

JP Wiggins (<u>33:31</u>):

A lot of our agricultural products hit the ports in Q4 and they couldn't find containers to ship them to China. All right. And so those, those products, a lot of them went to waste or had to be remarketed somewhere else. China is forcing empty containers. More containers are coming back to China, empty than are full of products right now. And it's not being talked about, but it's a way China is restricting our exports. It's another way that's going on in the political battle between us and China. But you know, it makes no sense to me that a carrier would ship would PR somehow China government has got carriers to ship empty containers back to China versus filling with our agricultural products. And that's something that I'm trying to figure out and try to pay attention to because it's not being talked about, it's not being written about, but it's like, you just read some of these stats on these, these, these empty containers.

JP Wiggins (<u>34:21</u>):

You're like, wait a minute. You'd know there's freight being stacked up there. And they know it's looking for containers and you can't find it. And only some of the, you know, most, a lot of containers, steamship lines, or, you know, an Asian flag. So they're following the, something's up with the CCP here on the, you know, the China communist party on somehow they're pressuring the steamship lines to move empties back versus filling with goods. So it's a, it's, it's a situation I can't fully understand in order. I mean, it's, but it opens up the can of worms and it's like, we lost, and we're not talking a small percent here. We're talking a significant percent of our agricultural exports to China didn't happen just because they couldn't find containers.

Scott Luton (34:59):

Well, you know, not a lob, any allegations, but you know, the one, the world's richest, man, if, if, if he can somehow disappear under radar for a couple of months due to some comments, I mean, I think anything can happen. It's like Kevin Garnette. And when he won the championship in that famous interview, anything's possible. It's such a great moment. Well, before we talk about entrepreneurship, kind of, as we start to wrap up, JP has shared a lot there, any common commentary on your end or anything else you want to ask JP while we're still talking freight?

Will Haraway (35:29):

Well, I'm so glad you brought up that container issue. We actually had a couple of our, you know, lead codes, clients, uh, re three 60 and Redwood logistics. They commented on this in a, in some materials that went, that went global this week. Just talking about that exact issue. I mean, it's, it's really

something that I've learned a lot about just because of what she was saying. Like, what are the, what are the issues that the fact that, you know, there's not enough containers for freight that they're having to send them back, auntie, just like you said, uh, and, and that there's not enough to even, there's not enough steel to even start building new ones. It's a really odd problem that you see in. It's a really odd problem that I think you would only see in this environment now that it's, it'll, it's definitely not helping. And it's raising costs for, for, for the, for the global shipping that has been disrupted for so long anyway. Yeah.

Scott Luton (<u>36:19</u>):

Points there and good stuff. Uh, those are two companies. It's good. It's good to, uh, for the rest of the world to get their POV that they offer solid POV assess good stuff. There, it's a fascinating topic. I mean, I think ocean shipping in general and get out of Savannah I'm, I'm still, I'm like a little kid seeing it, seeing the container ship for the first time. It's fascinating. Yeah. It's really fascinating. Yeah.

JP Wiggins (<u>36:42</u>):

So I suppose my favorite though, he go there, that's just a beautiful port and watching that operations, uh, it's just, it's just wonderful. So kidney candy star, you hit it. Right. All right. So now we're going to wrap, we're going to depart

Scott Luton (<u>36:54</u>):

The world of freight to the most part at JP, clearly not your first rodeo. You've been a part of founded organizations, been on early stage companies going through a bunch of different deals and a lot of different growth cycles. You name it. Let's talk about entrepreneurship as we start to wrap. And you also said either pre show or at the beginning of this one, how such an interesting time, especially for startup in the startup sector, in supply chain and logistics and transportation and whatnot, and there's plenty of it, which is great, but what's a couple of tips for the founders out there to start up team members, folks, early stage companies, but especially the founders. What's a couple of tips you'd offer to those individuals.

JP Wiggins (<u>37:33</u>):

Yeah. I guess, you know, done for done for startups in my career, you know, right now financing is always your top issue. You gotta make sure, obviously you going have to have your business plan. You have to have your business idea. You have to find good people to work with. You have to have a good solid business model, but then it comes down to financing. Can you find it? And that's the same with any business, no matter what stages. We're in a really weird stage right now of financing and supply chain where venture cap and PE firms are willing to put in higher multiples than their strategics. I mean, usually through history, a strategic gets involved. That's like a corporate investor, a corporate investor will pay higher multiples for a company or invest at higher multiples just because they have a strategic interest. Like I'm going to invest in this company because I want to buy them.

JP Wiggins (<u>38:16</u>):

I want to acquire them. And that usually blows the heck out of VC is or strategic, you know, VCs or PE firms. They just know, Oh, I'm not involved here, but right now VC and PE is willing to pay more than the strategics. So it's, it's a, it's an inverse imbalanced situation. Uh, and the reason is, is there's so much investment capital sitting out there. They call it dry powder. All right. We're an a, was it fidelity? Or it was one of those other banks I follow. They they're reporting that the, the, the dry powder that's trying

to be invested right now, it's over a trillion dollars. That's looking for investment. So there's, so in other words, there's, there's a lot of money that's looking for a home, which creates the imbalance because it makes it actually there, you know, since they'd have to find, sometimes they have to find a home.

JP Wiggins (<u>38:59</u>):

And so maybe they're not finding the best homes. So in some ways, as a entrepreneur, it's kind of a buyer's market. So you can be a little more selective on who you take money from and how you take it because they're there shopping. So, you know, definitely, I would say first advice, I'd give somebody to shop around a little bit, but still don't take more than you need. I mean, you give up control. I mean, I, I run into this all the time, uh, throughout my whole history is where you find these companies that they say, well, no, I'm not worried about it. I'll just go raise another \$20 million. Now it's like, I'll just go raise another hundred million dollars. I'm going to be a billion dollar company, 90 plus percent of the time you talk to that same company three years later because they're being fire sold.

JP Wiggins (<u>39:39</u>):

All right. And, and I like buying companies like that because, you know, they've, they've put a lot of money into the technology and you can buy it for pennies on the dollar sometimes. And maybe they got a good business model, but it's, like I said, we're in that inverse curve right now where, uh, uh, strategics are being overbid by VC. And it makes it really hard for me because I'm more strategic money and I do corporate development. So versus those VCs are, they're making it tough. So, like I said, as a founder, good money, it's easiest time ever. I've seen it raise capital. So if you have an idea, it's a good time to raise a company, to start a company. You can get good capital, you can get good rates. And, uh, you know, if you've got a good business plan, I mean, that's still, it's just like anything else.

JP Wiggins (<u>40:15</u>):

If your business plan isn't solid, if your market isn't solid, you're still going nowhere. You're just spending somebody else's money and you're going to fail. But, uh, you know, it's a good time. You've got a good idea. Go for it. Now, you know, there, isn't a lot of startups out there in our space though. Still it's, it's tough. It's not easy anymore. It's tough. So just because every good idea has been done and, you know, uh, in R and D costs like me and my TMS side, little add, I'm not kidding. I've got more than 50 million into my R and D costs. And it took eight years. And that was putting together intellectual property from all the best people that we can possibly find across the industry. And you just, sometimes you can't find that intellectual property. So that's what I look for.

Scott Luton (<u>40:52</u>):

Outstanding. A lot of good stuff there. All right. So we'll have all that advice that JP just offered and a market commentary was what was the most important thing that you heard him say

Will Haraway (<u>41:05</u>):

You're gonna laugh, but, but it was the dry powder because the dry powder, I agree with that. You're seeing an executive branch, JP out-loud, but also because it brought me back to a baseball in that all these guys are sitting on the dropout or the profits that they have made for multiple years. And they're crying poor over one bad year, getting on their dropout or including the Cardinals and not spending that money on free to make the team better. Even though the Cardinals in particular have ballpark village, just losing money into their coffers. It'd be that as it may, you know, one bad season and Oh, no, no. We can't afford roles ending going into rebuilding phrase. That's a term been used a lot, which, uh,

immediately, uh, just reflex to it, but I loved your, yeah. I loved your analysis on it for the, especially for the PE market. Agreed. And it does drop out

Scott Luton (<u>42:02</u>):

Any, I guess that's a simile, a metaphor, right? I always get those interchange, but regardless it paints a great visual and, and I love, I love how that plays into, cause it folks know exactly what you're talking about. Well, I hate to wind this thing down. I spent so, so much fun from a variety of angles, but of course, selfishly baseball, I'm a big baseball nerd. I love y'all's take on, on some things we've talked about there, of course, the wild world of freight and TMS, and what's going on in supply chain and why it's important now. And some of the cool things you're doing at 3g TMS, it's tough to recap in a couple of minutes, but JP really appreciate your time. Let's make sure that our community members and, and audience can connect with you and the team work at what's the best way they can connect with you all.

JP Wiggins (<u>42:43</u>):

Uh, me it's hit the website, 3g tms.com. I mean, my, my, you know, LinkedIn is simple, jpWiggins@3gtms.com. That's generally the best way if someone has, uh, you know, reach out to me that way, you know, email is the same 3g. Yeah. jpWiggins@3gtms.com is email, but I'll be honest. My inbox is so overloaded because I've been doing this for eight years, that every company, you know, what, if you're trying to sell me new leads, don't contact me. So I, you know, or current,

Will Haraway (<u>43:10</u>): What about the Glengarry leads?

JP Wiggins (<u>43:13</u>): Glengarry Glen Ross I'm in,

Scott Luton (<u>43:18</u>):

Well, always a pleasure. JP really appreciate your time. We'll just make sure folks can connect with you as well. What's what's the easiest way.

Will Haraway (43:24):

Yeah. Lead coverage.com will it lead coverage.com and our LinkedIn is active and hop in and all that good stuff. Our 10 year and stuff,

Scott Luton (43:32):

Unless you're, you don't want no Cubs fans can reach out.

Will Haraway (<u>43:39</u>): Absolutely take a Cubs fans money

```
JP Wiggins (<u>43:40</u>):
```

Because fans are great. You know, I sold my tickets to game seven of the world series at Indians. I made like five grand per ticket to some stupid Cubs fan that came just to watch. Now I had to be in Texas. So I had to sell my tickets, but I made 10 grand off some Cubs fans. I love those guys.

Will Haraway (43:56):

No, they only let down their fan base again, from what the 10th time in their a hundred year history. I mean, anybody would be a Cubs fan, but they got to have some sympathy for them being ship. And you can have it again and another a hundred years,

JP Wiggins (<u>44:09</u>):

But I'm a South side guy, just so you guys know. So, um, just a little disclaimer,

Will Haraway (44:16):

The views of our guests don't necessarily reflect the views of our team here.

Scott Luton (44:20):

That's the blockchain now. So, but nah, I think it comes in. That's the fun part of baseball, right? You've got a lot of comradery and kindred spirits, but you got some friendly, not so friendly rivalries, which is part of bet, one of the best parts of the game. So I'm just glad, hopefully we'll be talking about spring games here in what, 30, 45 days, maybe. So, but regardless, a big, thanks JP Wiggins, who I'm convinced is a second basement from the eighties. So if I can't find outfielder, see if I can't find that, that upper deck card, he's also co-founder and leader of corporate development and business strategy at 3g TMS. Thanks so much, JP. Thanks for having us. We'll hear away with the lead coverage team. Thanks so much. We'll we'll talk more about baseball, uh, promise again soon.

Will Haraway (45:04):

Yes, sir. Always a pleasure to join you and uh, congrats on all the great work that's punching nails doing and I'm enjoying watching.

Scott Luton (45:11):

Well, we appreciate that. Appreciate the partnership and, and love, you know, content is his North star. And I really enjoyed our conversation here today to our community and to our audience. So hopefully you've enjoyed it as much as we have. Hey, if you like conversations like this finance supply chain now.com and you can find us wherever you get podcasts from subscribe for free. So you don't miss conversations and great guests like JP and we'll hear, Hey, uh, we're going to challenge you like with challenge ourselves. I got number 44 in my little zoom thing. I wish I could plaster it on the wall, but we'll talk about some incredible people we've lost here before, uh, here just in recent weeks. And, and, and if you're an Atlanta fan Don Sutton and of course the King hammer and Hank, Aaron's a big, big part of the massive loss, but Hey, flip side, he leaves an incredible legacy when we've got to embrace and act on and Hey, do good gift forward, but be the change. That's right. Be the change. Be like Hank, Aaron. And on that note, we'll see you next time here on supply chain now. Thanks.

Outro/Intro (<u>46:15</u>):

Uh,