

TOP 10 LOGISTICS & SUPPLY CHAIN FACTS OF 2014

1 DRONES

DELIVERY OF THE FUTURE

AMAZON'S DRONE DEVELOPMENT HAS PROGRESSED MUCH FASTER THAN MOST PEOPLE EXPECTED. THE COMPANY CLAIMS TO HAVE DEVELOPED SENSE-AND-AVOID SENSORS AND ALGORITHMS THAT WILL ALLOW THE PRIME AIR DRONES TO SEE OBSTACLES AND AUTOMATICALLY AVOID COLLISIONS. AMAZON SEEMS WELL ON ITS WAY TO ACHIEVING ITS STATED GOAL OF 30 MINUTE DELIVERY TIME!



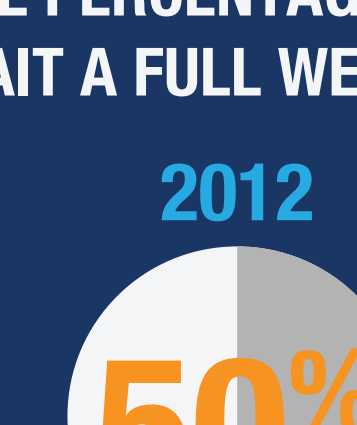
50^{MPH}

TOP SPEED FOR A BATTERY POWERED DRONE

5^{LBS}

TYPICAL MAX DRONE PAYLOAD
THIS PAYLOAD CAN DELIVER THIS PERCENTAGE OF AMAZON'S INVENTORY

86%



2 SAME-DAY DELIVERY

DELIVERED BEFORE YOU CAN SAY "HERE!"

2

THE PERCENTAGE OF CONSUMERS THAT ARE WILLING TO WAIT A FULL WEEK FOR FREE DELIVERIES:

2012

50%

vs.

2014

35%

2014 SAY SAME-DAY DELIVERY BECOME A STANDARD FOR THE BIG E-COMMERCE RETAILERS. COMPANIES SUCH AS AMAZON, EBAY, AND EVEN GOOGLE NOW ALL OFFER SAME-DAY DELIVERY. BOTH EBAY AND AMAZON HAVE STARTED OFFERING ONE-HOUR DELIVERY SERVICES.

amazon.com

Google

ebay

3 SUPPLIER DIVERSITY AND WOMEN

97%

OF FORTUNE 500 COMPANIES HAVE SUPPLIER DIVERSITY PROGRAMS



IN A PAST ARTICLE WE WROTE ABOUT HOW COMPANIES ARE REALIZING THE BENEFITS OF SUPPLIER DIVERSITY GO BEYOND THE "SOCIAL GOOD." WE ARE NOW AT AN AGE WHERE COMPANIES ARE STARTING TO FIND THAT SUPPLIER DIVERSITY PROGRAMS CAN BE FISCALLY BENEFICIAL THROUGH ROI, AND LEAD TO BRIDGE-BUILDING INTO THE UNTAPPED FORCE THAT IS WOMEN-OWNED BUSINESSES.

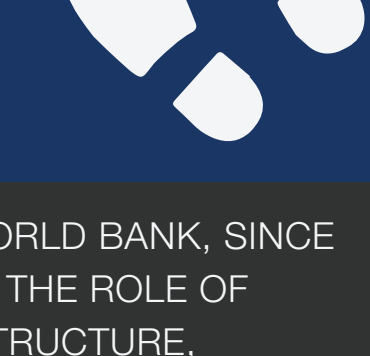
IN 2009, WAL-MART'S SUPPLIER DIVERSITY PROGRAM TOTALED NEARLY \$9.2 BILLION AND AT&T SPENT \$6.9 BILLION

4 SUSTAINABILITY

DELIVERY OF THE FUTURE

33%

OF SHIPPERS ARE CONCERNED ABOUT SUSTAINABILITY AND THE ENVIRONMENTAL FOOTPRINT OF THEIR INTERNATIONAL SUPPLY CHAIN WHEN SHIPPING TO OECD COUNTRIES



ACCORDING TO A REPORT ON TRADE LOGISTICS AND THE WORLD ECONOMY BY THE WORLD BANK, SINCE 2007, THE LOGISTICS PERFORMANCE INDEX (LPI) HAS BEEN INFORMING THE DEBATE ON THE ROLE OF LOGISTICS FOR GROWTH AND THE POLICIES TO SUPPORT IT IN SUCH AREAS AS INFRASTRUCTURE, SERVICE PROVISION, AND CROSS-BORDER TRADE FACILITATION.

A SLIGHTLY CONVERGING TREND FROM PREVIOUS LPI SURVEYS IN 2007, 2010, AND 2012 IS ALSO FOUND IN 2014, WITH LOWER PERFORMING COUNTRIES IMPROVING THEIR OVERALL LPI SCORES MORE THAN HIGHER PERFORMING COUNTRIES. THESE CHANGES WILL LIKELY HELP EXPAND THE GREEN LOGISTICS MOVEMENT FROM RICH, ALREADY ENVIRONMENTALLY SENSITIVE ECONOMIES TO DEVELOPING COUNTRIES. LOGISTICS PERFORMANCE AND SUSTAINABILITY ARE THUS INCREASINGLY BEING SEEN AS COMPLEMENTARY OBJECTIVES.



FOR SHIPPERS TO LOW-INCOME COUNTRIES THE SHARE IS 1/10TH.

OECD COUNTRIES SHOW THE HIGHEST ABSOLUTE CHANGE, AUGMENTING THE "SUSTAINABILITY GAP" ACROSS INCOME GROUPS. ANTICIPATING THIS TREND IN SHIPPER DEMAND, LARGE LOGISTICS SERVICE PROVIDERS, NOTABLY THE MAIN EXPRESS CARRIERS (DHL, FEDEX, UPS, AND TNT) HAVE DEVELOPED GLOBAL PRODUCTS AND PROGRAMS TO MEET IT.

5



RFID

2014 SAW ANOTHER STEP TOWARDS MARKING THE "INTERNET OF THINGS" AN INDUSTRY STANDARD WITH THE CONTINUED AND WIDE SPREAD ADOPTION OF RFIDS. RFIDS ARE QUICKLY REACHING THE POINT WHERE THEY'LL BE UBIQUITOUS ACROSS 3PLS.

2012

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2014

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2024

\$6.96 BILLION

\$8.89 BILLION

\$27.31 BILLION

ACCORDING TO RESEARCH BY IDTECHEX:

THE TOTAL RFID MARKET IS WORTH \$8.89 BILLION, UP FROM \$6.96 BILLION IN 2012. BY 2024, IDTECHEX FORECAST THAT THE RFID MARKET WILL RISE TO \$27.31 BILLION.

WORLD BANK INSTITUTE'S OPEN PRIVATE SECTOR PLATFORM

6

THE NEW PLATFORM DATABASE HAS DATA ON OVER 60 MILLION COMPANIES IN 80 JURISDICTIONS SUPPLIERS, BUYERS, CONSUMERS, DATA AGGREGATORS AND STANDARD MAKERS ALIKE WILL BE ABLE TO TRACK AND REPORT SUSTAINABILITY AND GOVERNANCE OUTCOMES AROUND THE GLOBE IN A FULLY-SHARABLE MANNER.

2014 SAW SEDEX GLOBAL PARTNER WITH WORLD BANK INSTITUTE'S OPEN PRIVATE SECTOR PLATFORM, THE WEB-BASED AND USER-MANAGED ONLINE PLATFORM TO ENABLE SUPPLIERS TO BENCHMARK THEMSELVES AGAINST CORE INTERNATIONAL STANDARDS AND PROVIDE GUIDANCE ON AREAS OF WEAKNESS, IN TURN ENABLING THEM TO DRIVE IMPROVEMENTS AND SHARE INFORMATION ON PERFORMANCE WITH BUYERS. FOR BUYERS, THE PLATFORM WILL INFORM SOURCING DECISIONS BY EMPOWERING THEM TO SEARCH FOR, AND SOURCE GOODS AND SERVICES FROM SUPPLIERS THAT DEMONSTRATE A COMPREHENSIVE UNDERSTANDING OF SUSTAINABILITY REQUIREMENTS AND COMMITMENTS.

7 AUTOMATION

SURVEY RESPONSES INDICATED THAT WHILE ABOUT 40 PERCENT OF TODAY'S ORGANIZATIONS ARE NOT CURRENTLY PURSUING INCREASED MECHANIZATION TO STREAMLINE PROCESSES; THIS PERCENTAGE SHRINKS TO 17 PERCENT BY 2018.

FIRST RESEARCH IS FORECASTING A DOWNTURN IN TRADITIONAL MATERIALS HANDLING EQUIPMENT—TOOLS FOR THE "OLD" SUPPLY CHAIN—FROM A HIGH POINT IN 2013.

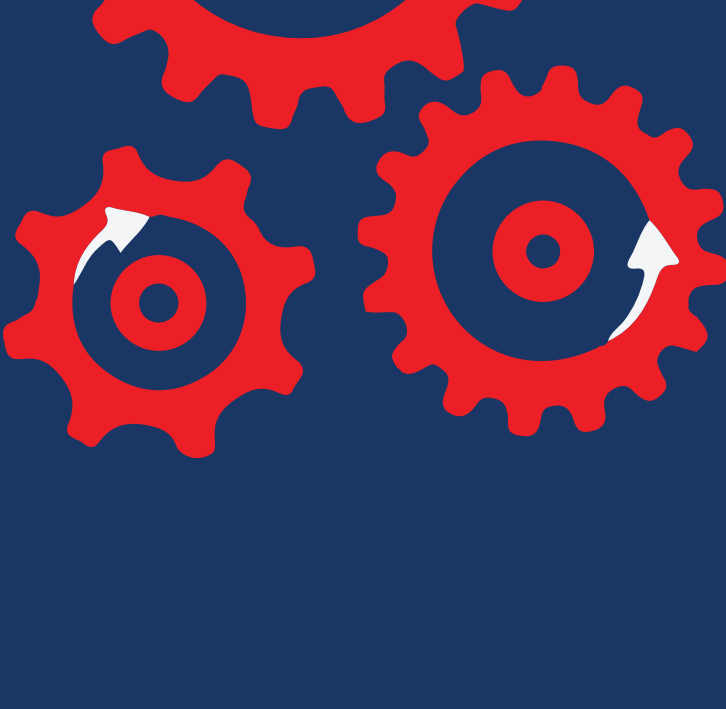
BUYERS RETURNED TO THE MATERIALS HANDLING MARKETPLACE IN 2013 WITH A 2 PERCENT INCREASE OVER 2012. ANY ONGOING GAIN THROUGH 2017 WILL BE MODEST AT BEST. "TRADE GROWTH FOR MATERIAL HANDLING EQUIPMENT MANUFACTURING REMAINS AN AREA OF CONCERN BECAUSE OF UNSTABLE FOREIGN MARKETS AND REDUCED US DEMAND. IMPORT GROWTH FELL NEARLY 18 PERCENT IN 2012 OVER 2011, WHILE EXPORT GROWTH DROPPED 11 PERCENT YEAR OVER YEAR.

2014

40%

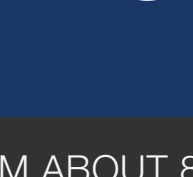
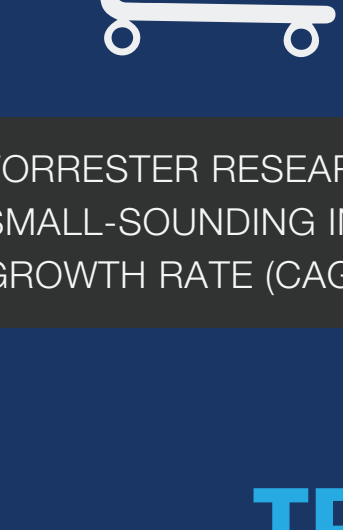
2018

17%

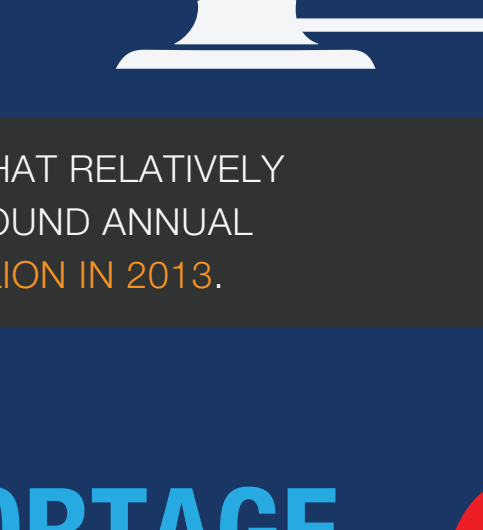
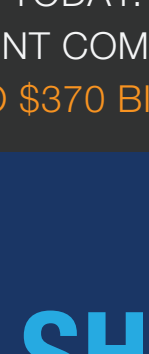


8 ONLINE RETAIL

ONLINE RETAIL WILL COMPRISE 10 PERCENT OF ALL RETAIL SALES BY 2017, REPORTS



24 HOUR



FORRESTER RESEARCH, UP FROM ABOUT 8 PERCENT TODAY, THAT RELATIVELY SMALL-SOUNDING INCREASE IS ACTUALLY A 9 PERCENT COMPOUND ANNUAL GROWTH RATE (CAGR) FROM \$231 BILLION IN 2012 TO \$370 BILLION IN 2013.

TRUCK DRIVER SHORTAGE

THERE IS CURRENTLY A 35,000 DRIVER SHORTAGE THAT IS PROJECTED TO GROW TO AROUND 200,000 BY 2020. IT WILL REACH AS MANY AS 240,000 BY 2024

9



2014

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2020

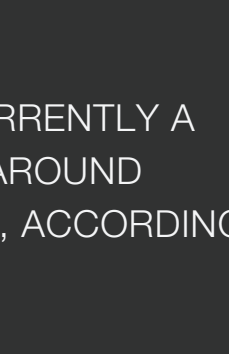
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2024

35,000

200,000

240,000



103%

94%

THE TRUCKER SHORTAGE IS REACHING CRIPPLING LEVELS IN NORTH AMERICA. FROM A RECENT ARTICLE PUBLISHED ON LOGISTICS MANAGEMENT:

AMERICAN TRUCKING ASSOCIATIONS (ATA) SAYS THERE IS CURRENTLY A 35,000 DRIVER SHORTAGE THAT IS PROJECTED TO GROW TO AROUND 200,000 BY 2020. IT WILL REACH AS MANY AS 240,000 BY 2024, ACCORDING TO ATA PROJECTIONS.

TRUCKLOAD DRIVER TURNOVER IS NOW 103% FOR LARGE CARRIERS AND 94% ANNUALLY FOR SMALLER TL CARRIERS, ACCORDING TO ATA FIGURES

10 LOGISTICS SLOW GROWTH

2012 vs. 2014

\$108 TRILLION

\$1.39 TRILLION



ACCORDING TO AN ANNUAL REPORT PUT OUT BY THE COUNCIL OF SUPPLY CHAIN MANAGEMENT PROFESSIONALS (CSCMP) WHICH HAD ADDITIONAL COMMENTARY BY A PANEL OF INDUSTRY LEADERS:

U.S. BUSINESS LOGISTICS COSTS ROSE 2.3% IN 2013, A SIGNIFICANT DROP FROM THE 3.4% RISE IN 2012.

BUSINESS LOGISTICS COSTS INCREASED TO \$1.39 TRILLION, UP \$31 BILLION FROM 2012. IN 2013, LOGISTICS COSTS AS A PERCENT OF THE NOMINAL GDP DECLINED TO 8.2 PERCENT MEANING THAT THE FREIGHT LOGISTICS SECTOR WAS GROWING AT A SLIGHTLY SLOWER RATE THAN GDP.

INFOGRAPHIC CREATED BY

MORAI LOGISTICS INC.

We love to put order in your chaos. Morai Logistics Inc. is a 3rd party logistics provider with an operating agency agreement representing Mode Transportation. We are a powerhouse logistics team based in the Greater Toronto Area and do business throughout North America, including Mexico. Our team is dedicated to our terrific clients and we strive to take the chaos out of your supply chain. We are always on the lookout to do exceptional work with remarkable people and companies!

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Infographic created in collaboration with Grilled Cheese Affairs

