

# Supply Chain Market Research and Consulting Services



**ARMSTRONG &  
ASSOCIATES, INC.**

Website: [www.3PLogistics.com](http://www.3PLogistics.com)

## About Armstrong & Associates, Inc.

- Founded in 1980 - Supply Chain Market Research and Consulting Services
- Over 62,000 Newsletter Subscribers
- Current Market Research:
  - *“Amazon Logistics Market Estimates, Benchmarking, and Predictions”*
  - *“E-Commerce Logistics in the United States”*
  - *“The Business of Warehousing in North America – 2018 Market Size, Major 3PLs, Benchmarking Costs, Prices and Practices”*
  - *“Global and Regional Infrastructure, Logistics Costs, and Third-Party Logistics Market Trends”*
  - *“Third-Party Logistics Market Results and Trends for 2018 – Estimates for 190 Countries”*
  - *“Trends in 3PL/Customer Relationships”*
  - *“Digital Freight Matching – Capturing Technology-Based Efficiencies in the Trucking Industry”*
  - *Who's Who in Logistics Online Guide to Global Supply Chain Management*
  - Over 600 Detailed 3PL Profiles; Over 8,100 3PL Customer Relationships
- 4<sup>th</sup> Annual 3PL Value Creation Asia Summit in Hong Kong: May 16, 2019
- 7<sup>th</sup> Annual 3PL Value Creation North American Summit in Chicago: October 15-17, 2019
- Articles & Press Coverage: Air Cargo World, American Shipper, DC Velocity, The Economist, The Financial Times, Forbes, Global Trade, Journal of Commerce, Logistics Management, Modern Materials Handling, NPR-Marketplace, SupplyChainBrain, Transport Topics, Wall Street Journal
- Consulting Services: 3PL Strategic Planning, 3PL M&A Advisory, Operational Due Diligence, Logistics Outsourcing, 3PL Digitalization Strategy, Expert Witness
  - *Over 30 3PL strategic planning engagements and 20 closed Investment/M&A deals.*
- Global Resources: U.S. Organization; Frank Lange, Chiang Mai, Thailand; Eric Xiang, Wuhan, China



## Logistics Provider Site Visits – 3PL Case Study Reports

Armstrong & Associates' personnel visit many of the third-party logistics providers (3PLs) listed in our Who's Who in Logistics Online Guide. This allows us to objectively assess their operations and form a basis for the "Editorial Comments" sections of the 3PL profiles.

Click on the links below to view the case study reports for each 3PL. 3PLs in bold font have multiple case study reports.

Interested in having A&A develop a case study on your operation. [Click here.](#)



- [A&R Logistics](#)
- [Access America Transport](#)
- [Access Logistics](#)
- [Acrowell International Logistics](#)
- [Active Aero Group](#)**
- [Agility](#)

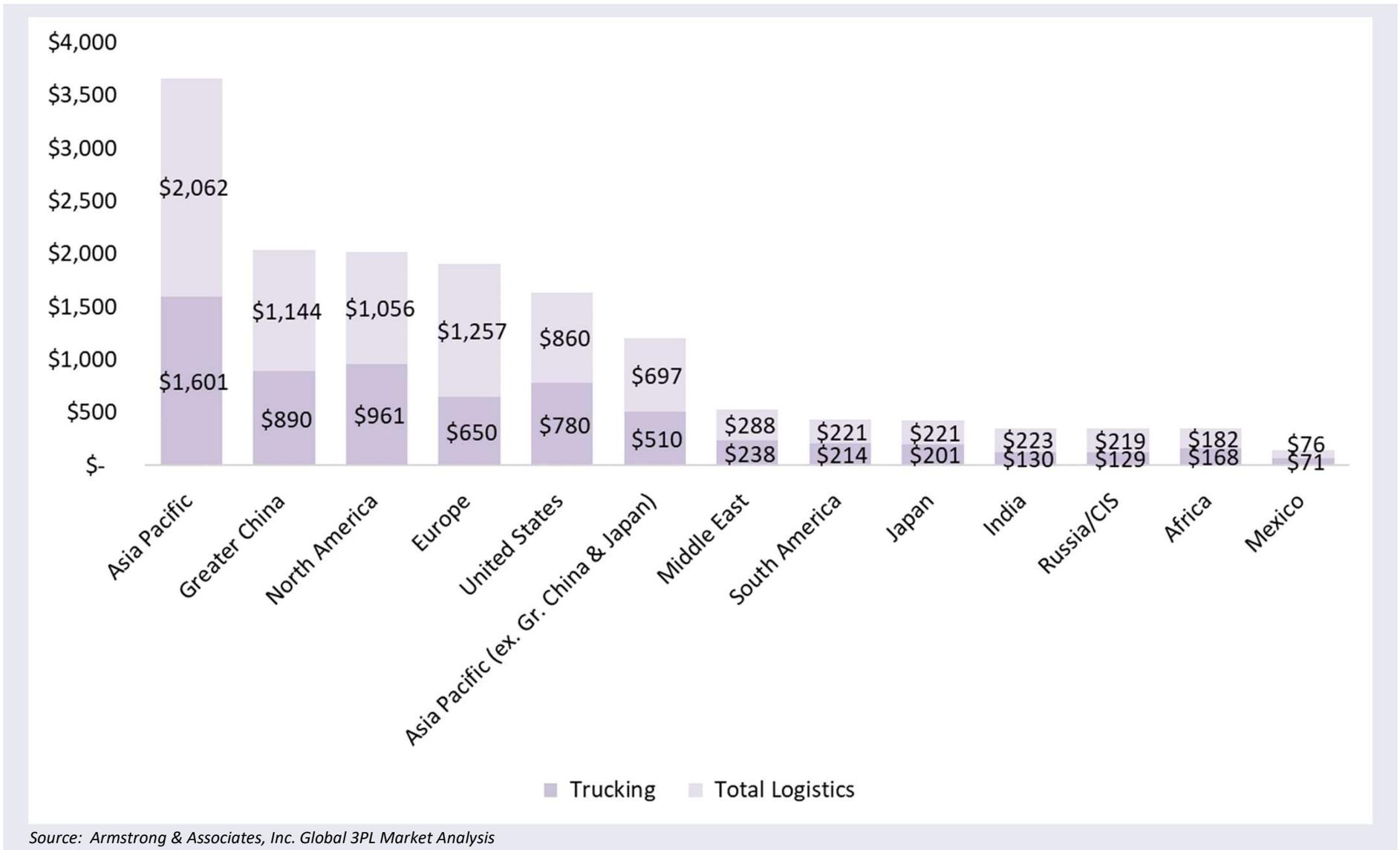
**Over 100 3PL Operations Reviewed**

## 2018 Global Logistics Costs by Mode or Function (US\$ Billions)



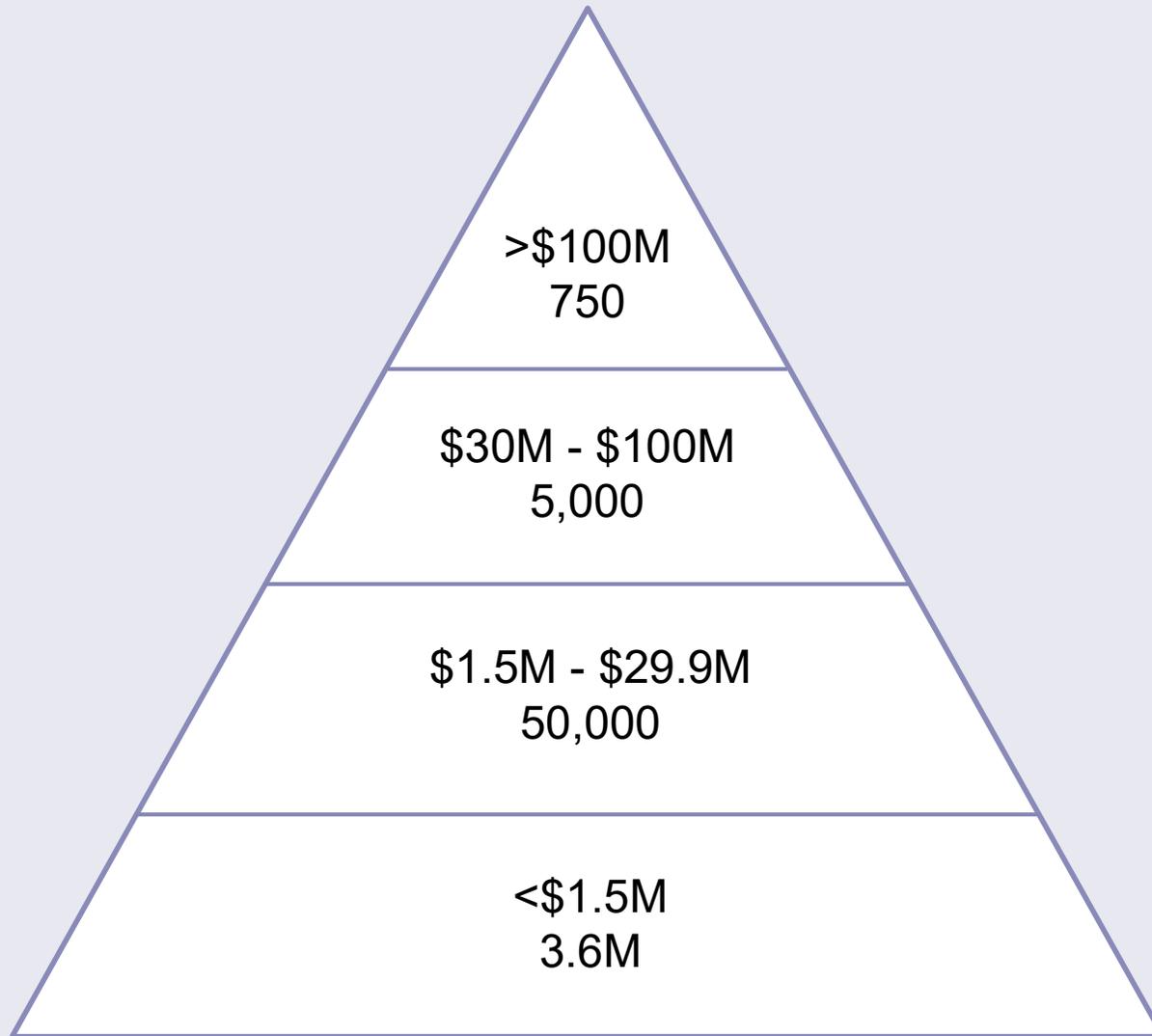
Source: Armstrong & Associates, Inc. Global 3PL Market Analysis

## 2018 Trucking & Total Logistics Costs for Key Regions and Countries (US\$ Billions)

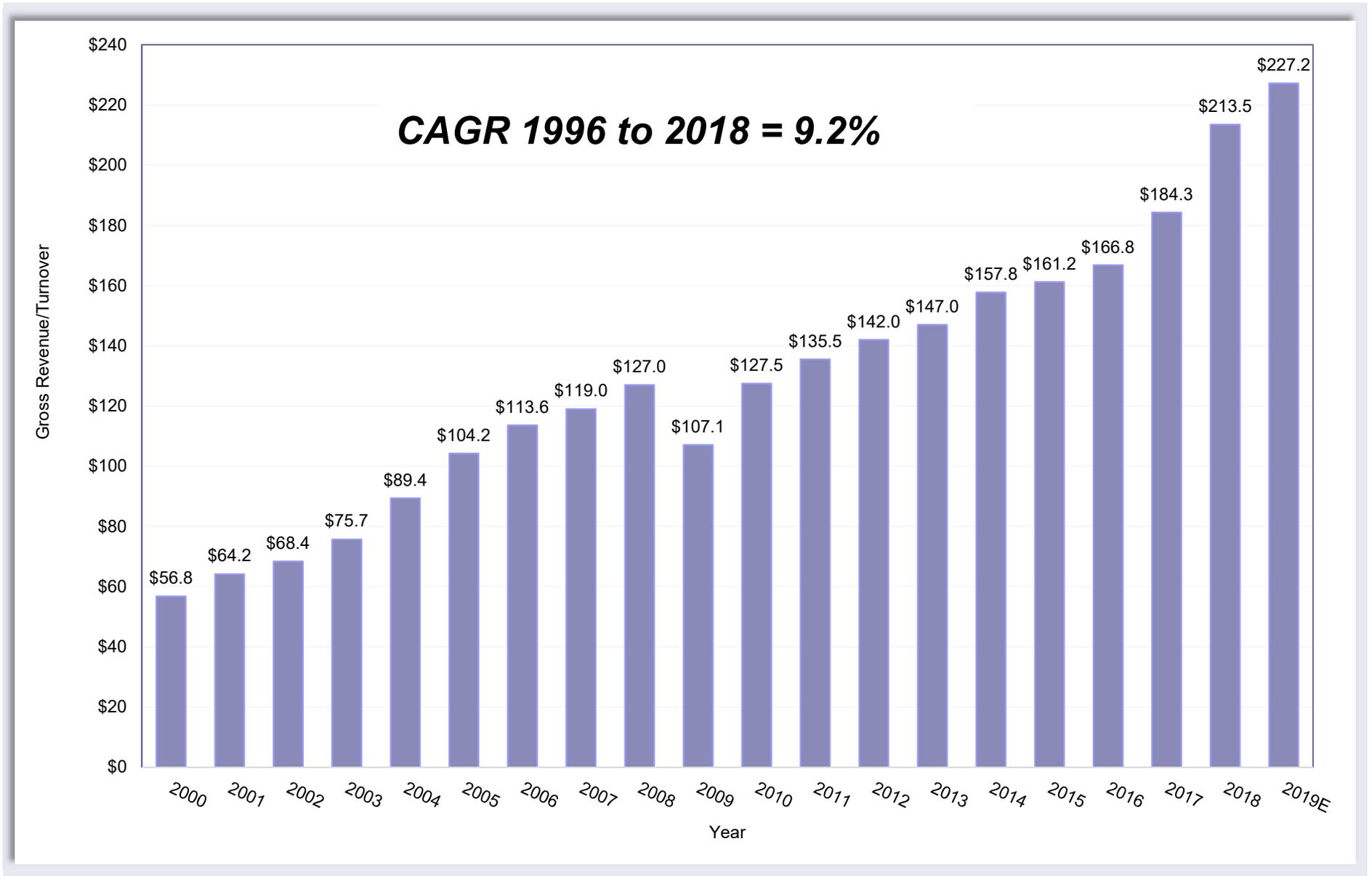


Source: Armstrong & Associates, Inc. Global 3PL Market Analysis

## U.S. Transportation Spends of Domestic Shippers



## U.S. 3PL Market 2000 – 2019E (US\$ Billions)



## Growth by U.S. 3PL Market Segment

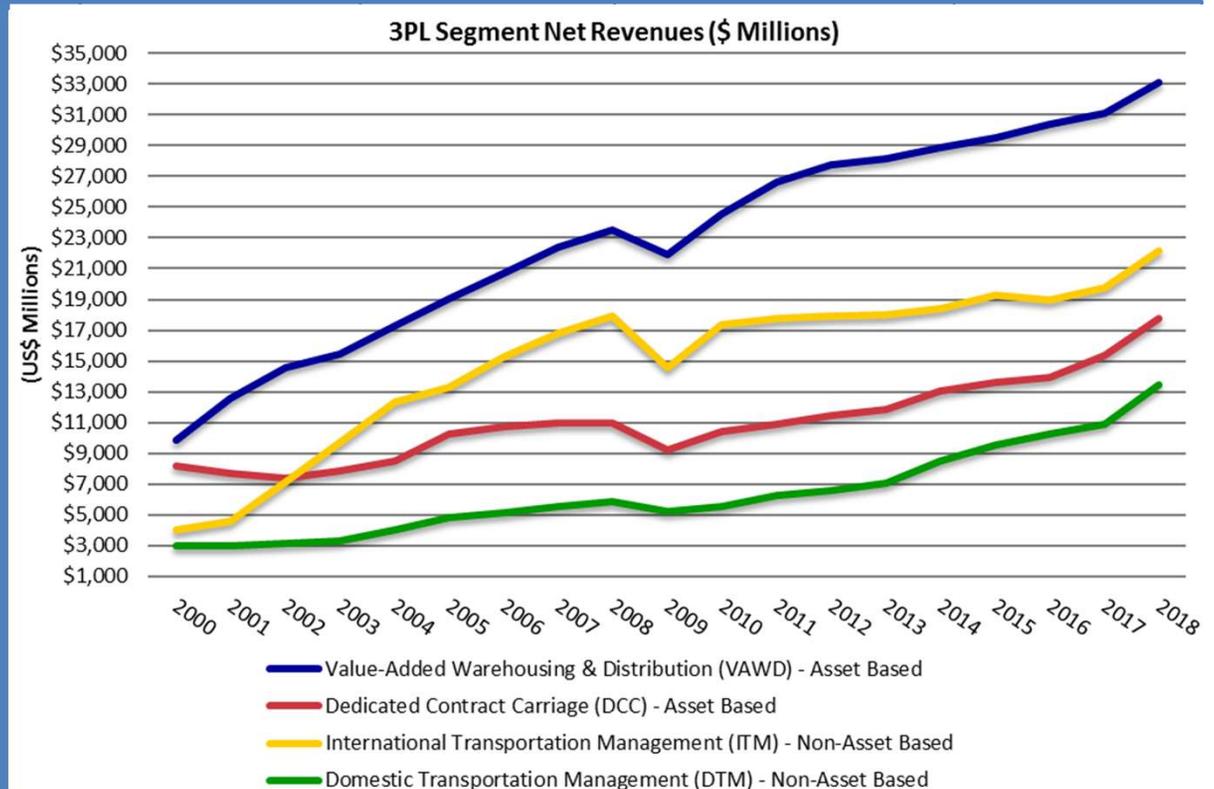
3PL Market Segment	2018 Gross Revenue (US\$ Billions)	2018 Net Revenue (US\$ Billions)	2018E vs. 2017 Net Revenue (YoY Growth Rate)	1995-2018 Net Revenue CAGR
<b>Domestic Transportation Management</b>	<b>86.5</b>	<b>13.4</b>	<b>23.2%</b>	<b>11.6%</b>
<b>International Transportation Management</b>	<b>61.9</b>	<b>22.1</b>	<b>12.1%</b>	<b>11.3%</b>
<b>Dedicated Contract Carriage</b>	<b>18.4</b>	<b>17.8</b>	<b>15.8%</b>	<b>7.4%</b>
<b>Value-Added Warehousing &amp; Distribution</b>	<b>43.3</b>	<b>33.1</b>	<b>6.3%</b>	<b>10.8%</b>
<b>Total</b>	<b>210.1</b>	<b>86.4</b>	<b>12.1%</b>	<b>10.1%</b>

**DTM** has a 2019 potential market size of \$475B.

**ITM** is benefiting from e-commerce related air freight growth.

**VAWD** is more mature with most major 3PLs having national networks.

**DCC** is the most mature 3PL Market segment but benefits from tight carrier capacity.



## Top 50 Domestic Transportation Managers/Freight Brokers

A&A Rank	Third-Party Logistics Provider (3PL)	2018 Gross Revenue (US\$ Millions)
1	C.H. Robinson	11,793.1
2	XPO Logistics	4,447.0
3	Coyote Logistics	4,000.0
4	Total Quality Logistics	3,643.0
5	Hub Group	2,692.6
6	Echo Global Logistics	2,439.7
7	Landstar System	2,408.0
8	Schneider Logistics	1,753.0
9	Worldwide Express/Unishippers	1,650.0
10	GlobalTranz Enterprises	1,384.0
11	J.B. Hunt ICS	1,334.6
12	MODE Transportation	1,255.4
13	SunteckTTS	1,110.0
14	Nolan Transportation Group	811.0
15	Redwood Logistics	700.0
16	Transplace	664.1
17	Allen Lund	653.1
18	Universal Logistics Holdings	618.7
19	BNSF Logistics	613.0
20	Trinity Logistics	555.0
21	Matson Logistics	535.0
22	Werner Global Logistics	518.1
23	England Logistics	508.8
24	FLS Transportation Services	500.0
25	PLS Logistics	470.0

A&A Rank	Third-Party Logistics Provider (3PL)	2018 Gross Revenue (US\$ Millions)
26	ArcBest	463.0
27	Armstrong Transport Group	435.6
28	Knight-Swift Transportation	434.0
29	ATS Logistics Services	412.1
30	Integrity Express Logistics	412.0
31	Ascent Global Logistics	403.1
32	Arrive Logistics	368.0
33	ReTrans/Kuehne + Nagel	364.0
34	GEODIS	325.7
35	NFI	323.0
36	Cornerstone Systems	318.0
37	Traffix	314.0
38	MegaCorp Logistics	304.0
39	Choptank Transport	300.0
40	Pepsi Logistics	273.3
41	U.S. Xpress	242.8
42	R2 Logistics	215.0
43	Radiant Logistics	214.5
44	KAG Logistics	205.0
45	Triple T Transport	202.0
46	Magnate Worldwide	198.0
47	LoadDelivered	195.6
48	Patterson Cos.	195.0
49	BlueGrace Logistics	188.0
49	Marten Transport	188.0

Sources: Armstrong & Associates, Inc. Who's Who in Logistics Online 3PL Guide; Company Reports

## The Digitalization of Domestic Transportation Management

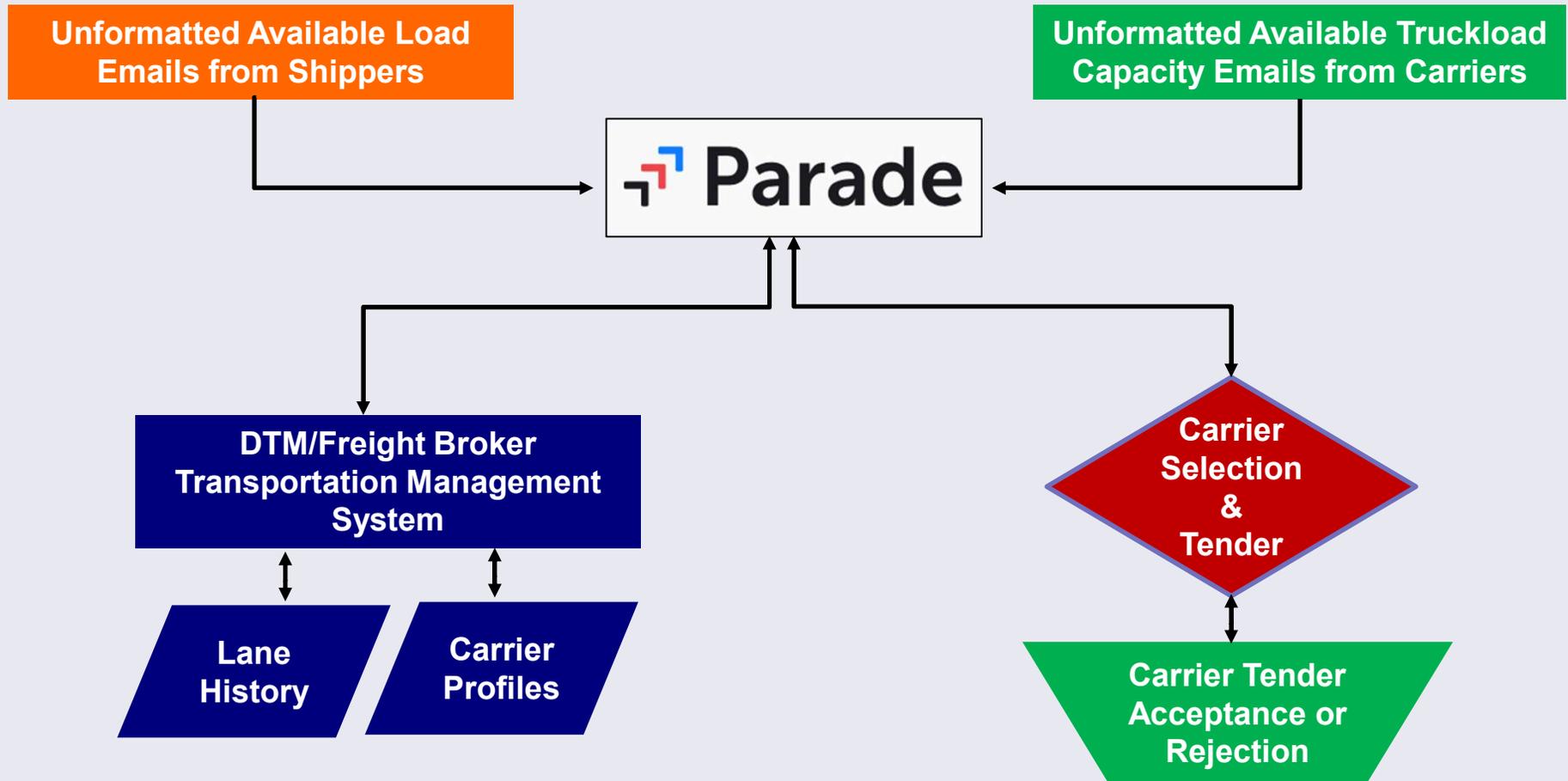
A plethora of technology solutions have come to market over the past three years to augment traditional TMS systems and automate freight brokerage operations.

These tend to fall into four groups:

- Account Management Automation
- Capacity Intelligence and Load Execution
- Visibility and Exception Management
- Back Office Automation

Many data entry and manual processes will be eliminated by artificial intelligence and machine learning, improved transportation network systems/application interfaces, and improved data mining and analysis.

## Capacity Intelligence and Load Execution – Parade A.I.



- Automating DTM/Freight Broker Transactional Truckload Carrier Sales Processes
- Over 30 customers

## Investment in Digital Freight Matching

- **\$661.7 million** in investment in U.S.-based Digital Freight Matching companies.
- 2017 and 2018 were characterized by **\$20 million+ investments**. Convoy raised \$247 million in 2017/2018.

**Digital Freight Matching Venture/Equity  
Investment by Year  
(US\$ Millions)**



## Growth of Digital Freight Matching Companies/Digital Brokers

**UBER FREIGHT**

**CONVOY**

**TRANSFIX**

**The “Big 3”**

**Combined Gross Revenue 2018**

**\$2.8B**

**2014 – 2018 CAGR**

**625%+**

**Funding**

**Est. \$500M+**



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**Thank You!**