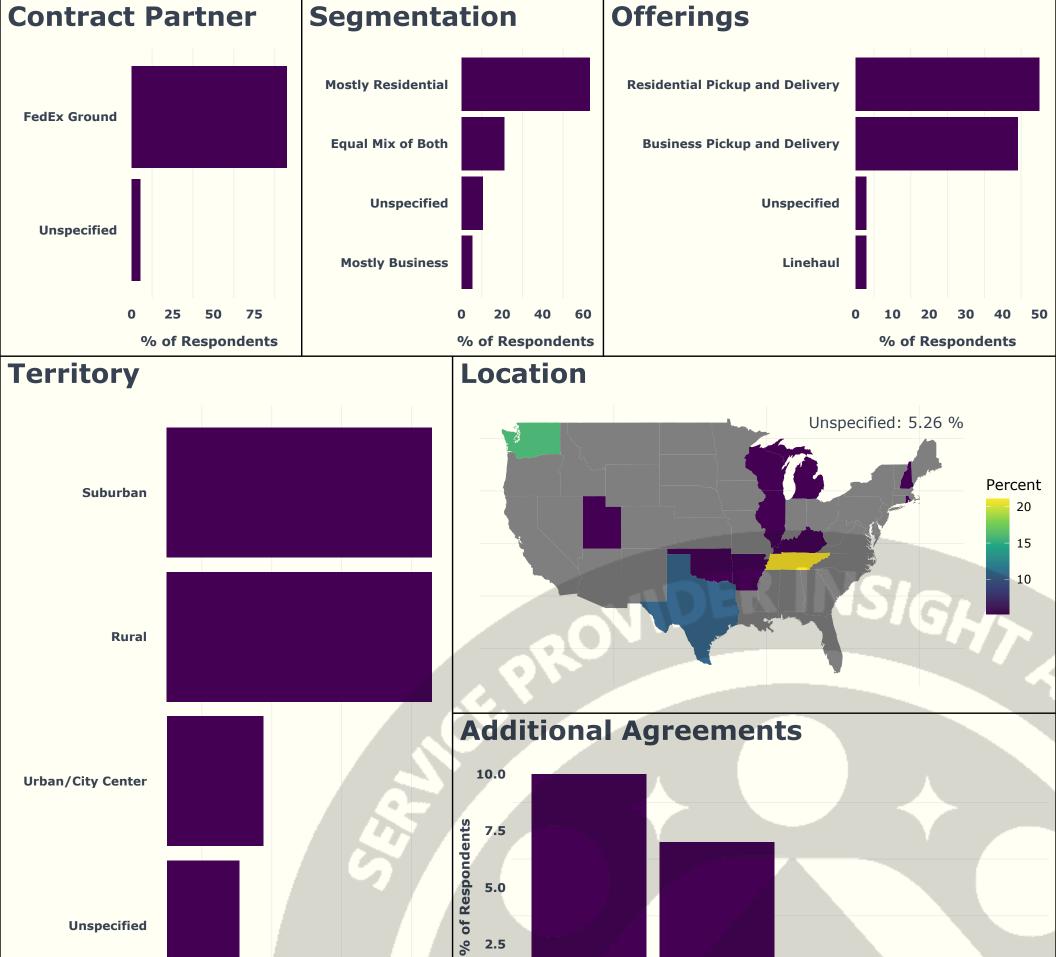
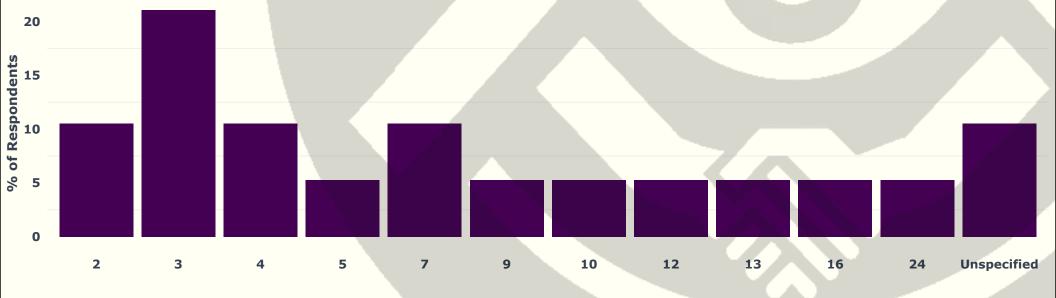
# Demographics





**Unspecified** 



2.5

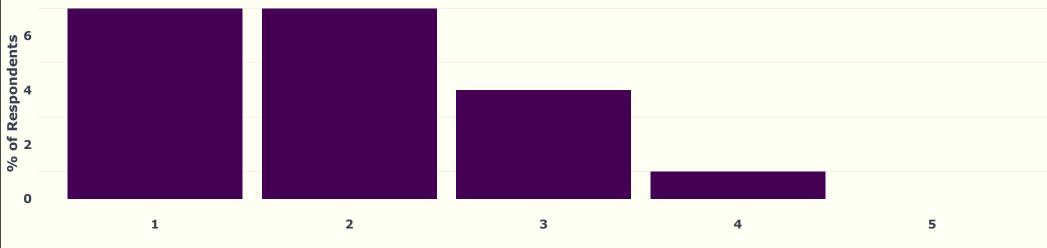
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30

% of Respondents

### **Financials**

### Financial Health Rating 1-Very Poor to 5-Excellent



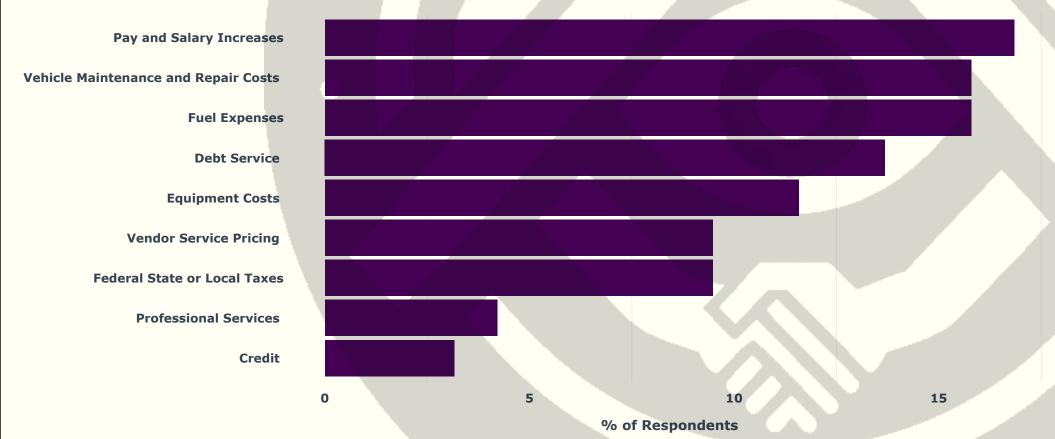






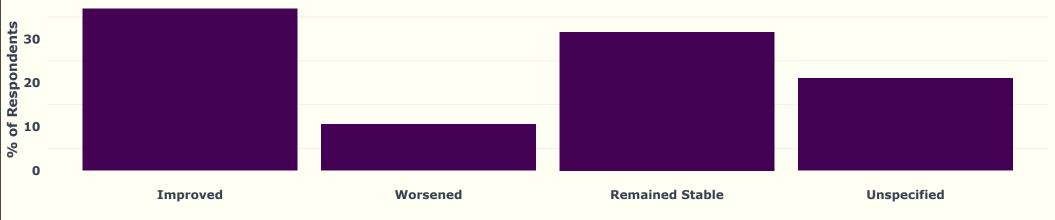
### **Major Financial Challenges**

% of Respondents

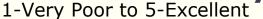


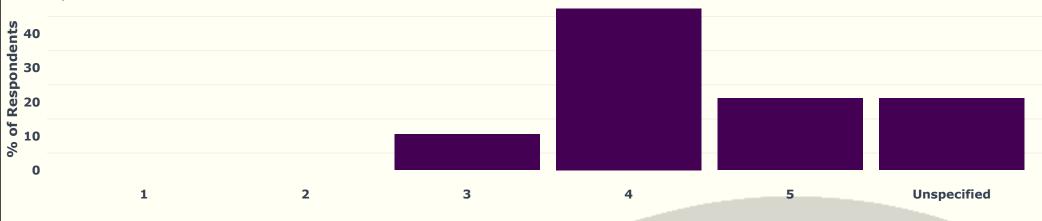
### **Operations**



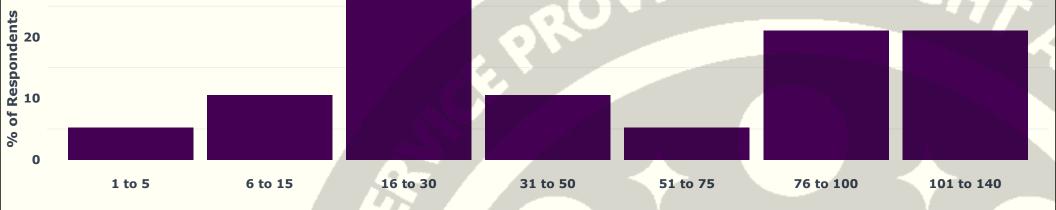


### **Current Efficiency** 1-Very Poor to 5-Excellent

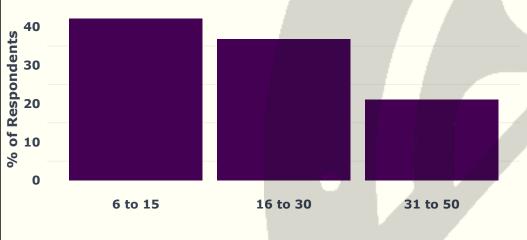




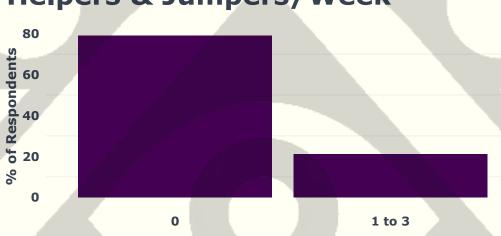
#### **Dispatches/Week**



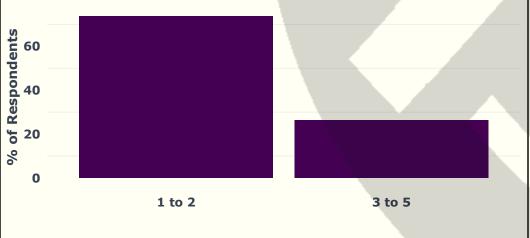
#### **Drivers/Week**



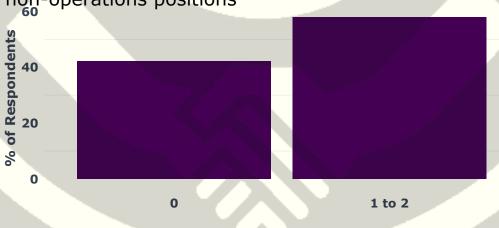
### **Helpers & Jumpers/Week**



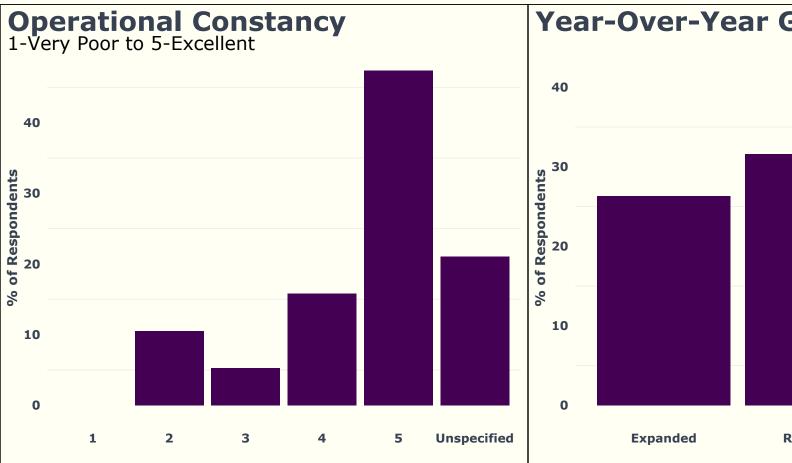
### Managers/Week

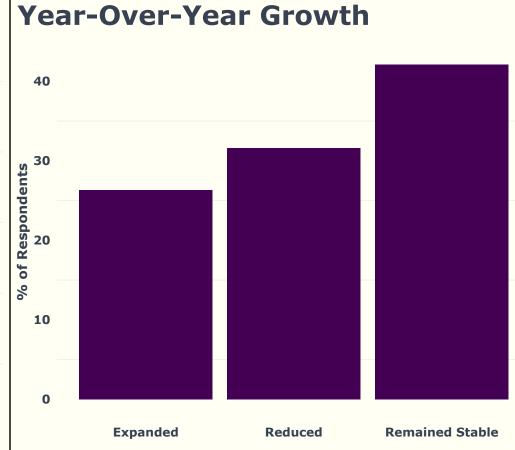


#### **Executives and Administrators** non-operations positions

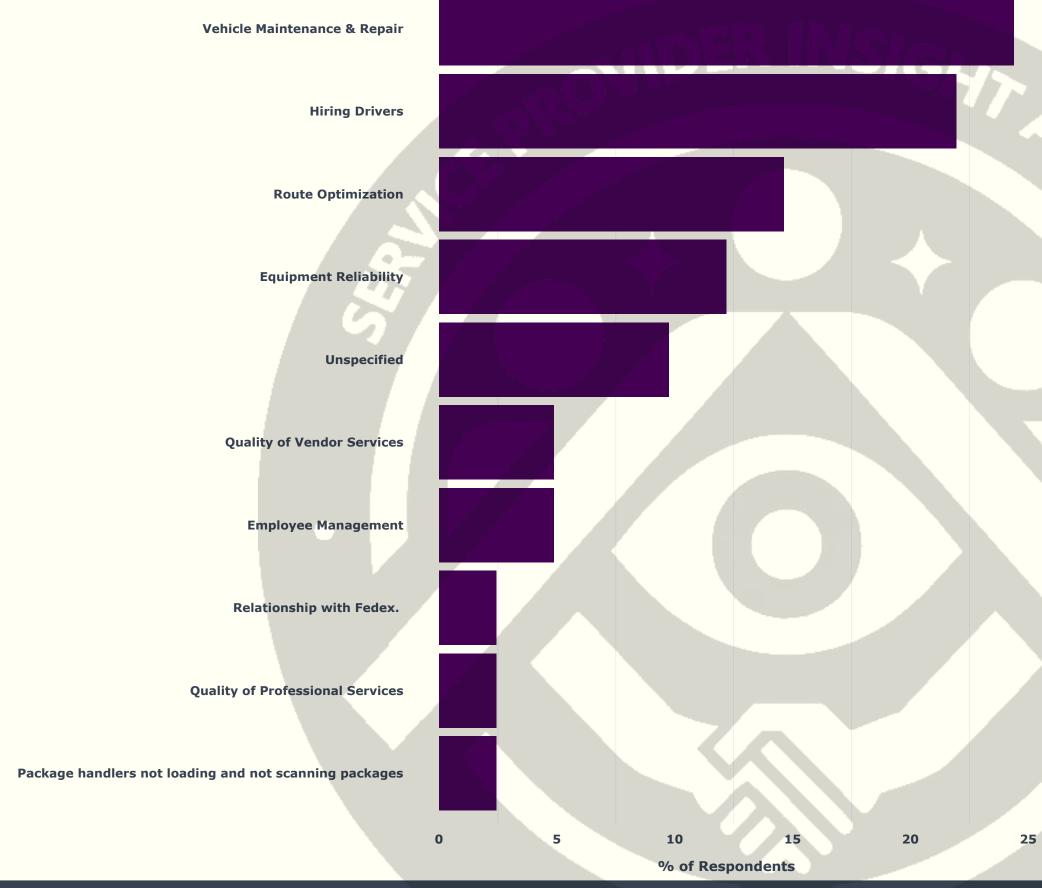


# **Operations**

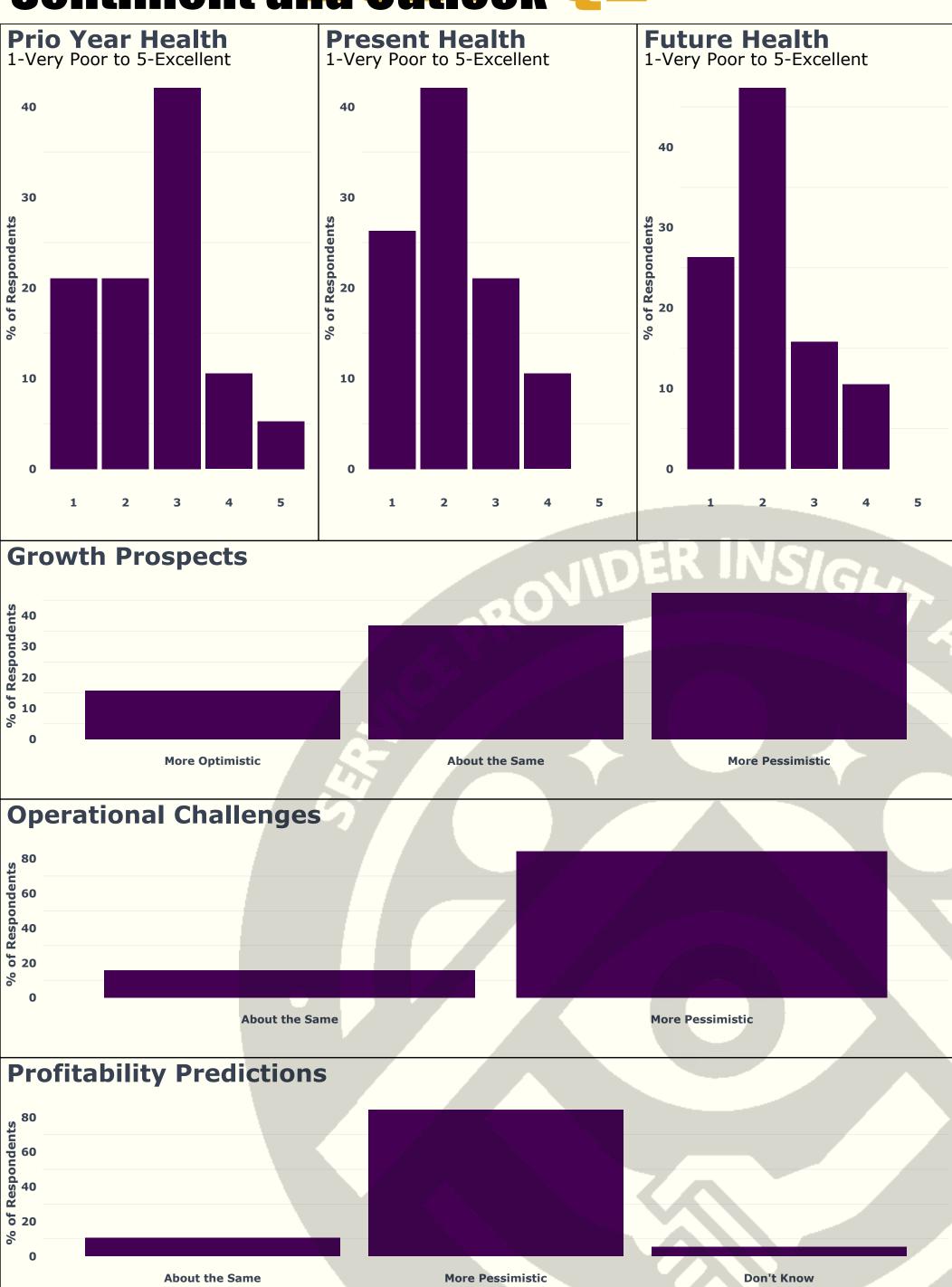




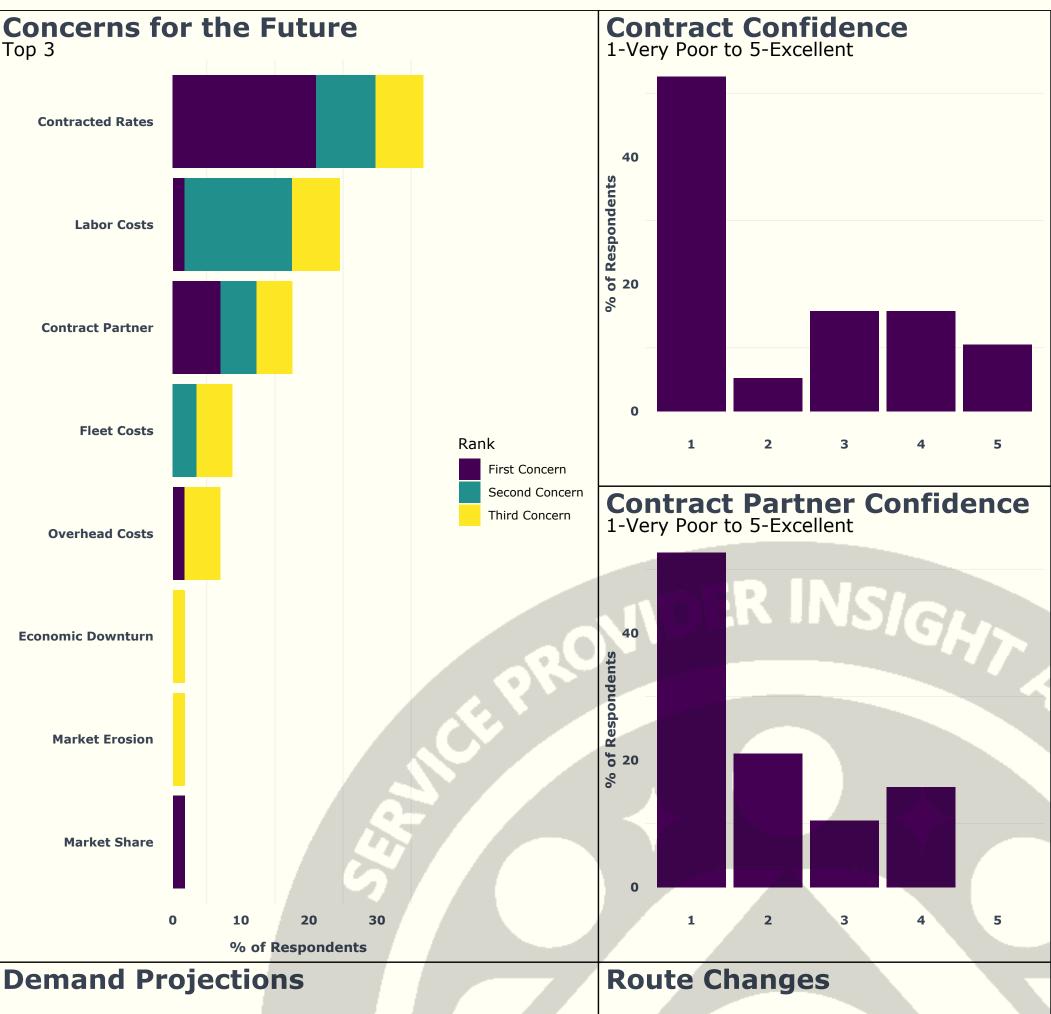
### **Operational Challenges**



# Sentiment and Outlook Q2 UTVEY



### Sentiment and Outlook Q2 UTV Gy





**Increase** 



Remain the same

### Anecdotal Insights 4 - Q2 UITV Gy

#### **Challenges Faced**

What challenge have you faced and how did you address it?

"A separate contract went bad and threatened to bankrupt both of my companies. I had to make the difficult decision to sell that business at a loss so I could focus my attention on strengthening the health of this contract."

Responses reveal significant challenges working with their Service Partner over the past year. The issues include unfavorable contracts, inadequate compensation rates, and the financial strain of maintaining service standards amid rising expenses.

In response, Service Providers have addressed these challenges by reducing fleet sizes, cutting driver numbers, and even refinancing personal properties to cover debts.

threatened fedex rates contracts Contract vost

focus business bad contractors companies attention bds difficult healthfleet bankrupt bds difficult strengthen contingency foss financial separate

Sentiment Pos Neg

Frequency

a 2

**a** <sup>3</sup>

**a** 5

a <sup>8</sup>

**a** 13

Sentiment

#### **Success Stories**

What success have you recently achieved?

"I was able to work with my bank and secure a continuation agreement on my SBA loan that had become severely defaulted."

There is a mixed picture of recent successes/milestones achieved by Service Providers. While a few respondents share accomplishments, such as maintaining accident-free records and achieving "gold medal" status for excellent service, others express a lack of motivation and frustration due to financial struggles and setbacks.

### VIDER INSIG

servicemilestones

setbacks missed loan free secure status

perfectdefaulted agreement falling
perfectdefaulted agreement falling
past
gold bank 1001 achieve due past
care operations
passed bankruptaccidentan successful
bankruptaccidentdon't months
pickup contingency continuationset
window sba medal profit severely

Neg

Frequency

**a** 2

**a** 3

a ⁵

2

13

#### **Contract Improvements**

What is your suggestion to improve the relationship with your contract partner?

"Tie contract rates to the greater economy and act as a true partner."

Respondents suggest various changes to improve contractor relations, emphasizing the need for better communication, fairer pay, and more equitable contract negotiation processes.

Contractors feel that the relationship should be more of a partnership, with contract rates tied to the broader economy and mutual benefits for both parties.

Reforming the department responsible for business development as it is viewed as biased and ineffective.

rid partners stop

quality morale equipment money
feel communication air useless
neutral extra change ability drivers listening
wages determined accept2 act contractors require
partner accept2 contract ite
honestyeconomy equals fedexpay
negotiate focus forums paid

programs true

Sentiment

Neg

Frequency

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a

**3** 8

**3** 13

### Anecdotal Insights 4 - Q2 UITVEY

#### **Industry Changes**

What will impact our industry in the next year?

"EVs are only trending with 1) entities who can afford the exorbitant purchase price and 2) locations with appropriate infrastructure. Further, end-of-life values are unknown, making the economics uncertain. Wage pressures are going to become a serious problem in areas with robust growth. Weather concerns, specifically increasing days with high temps and longer than normal duration are going to take a toll!"

Key themes include an anticipated merger with a sister business group, economic pressures such as inflation and wage increases, and operational challenges related to efficiency and environmental factors. The concern revolves around increased inefficiency, time delivery challenges, and reduced profitability. weather trucks
prospective pressures temps
heard normal specific

marginsedexeconomics infrastructure
price entitiescompanyduration locationswage
toll mergerconcerns 2 1 affordev's
robust exorbitanthanging ac days life profit
values modelelection counter growth positive
specifically expressing trending
purchase productivenknown
uncertain

Sentiment

Frequency

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d <sup>5</sup>

**a** \*

**a** 13

Sentiment

Pos

#### **Partnership Dynamics**

What is the relationship with your contract partner like?

"There is no relationship between the contractor and [Service Partner]. They dictate everything and we have to do what the contracts tell us to do or we lose our contract. Certainly a one-way street."

A predominantly strained and adversarial relationship with the contract partner is commonly perceived. Reports of a lack of communication, understanding, and support, often lead to significant stress and financial hardship.

Experience expressed include:

- One-sided relationship where terms are dictated, and little say in their day-to-day operation.
- Stress and health problems due to the challenging nature of the relationship.
- Inconsistencies in how standards and penalties are applied.
- Financial penalties are becoming more frequent and severe.

understanding street signature truck violation inspections hard purchased threats standards experienced contractor penalties loose healthfell continuedconsistency financialsafety gray<sub>csp</sub> application<sub>2nd</sub> business father jan rug
2021 contingency otc black 1.51 2008 consistent grey rour grown challenges 60,000 contract operation otc time past dictate company contract operation fedex lack started relationship disqualification weeks revenuegeneratiohair owe result start threatene shoes starting swept

Neg
Frequency
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### If only I had known...

What should everyone know about being a Service Provider?

"Challenges: The emotional strain of trying to keep your business efficient, safe, and profitable all while caring for the employees and their families, and most importantly not neglecting your own family while you do all this. Rewards: Having the opportunity to watch the growth not only of your business, but of your staff also is pretty rewarding!"

Several Service Providers express that there are no real rewards in their work. Recalling past times when the job paid well, but now feel the rewards are minimal or non-existent.

A common statement is the financial difficulty of struggling to make a profit and feeling that management does not understand or care about their financial health.

There is a high capital risk involved and limited financial rewards due to margin compression and set compensation levels.

shareholders
risk negotiations
pretty contractorsreward
starving fedex business
salary contractor amount limited
falling challenging driversoutsiders
commitment hard relations
margin financial
rewards

Sentiment
Pos

Neg

Frequency

a 2

a 3