

RED

The **RUAN** Magazine

Number 13 Summer 2017



We are committed to acting with integrity in all that we do.



Reasons why we're

→ **STILL
GOING
STRONG**



FOR 85 YEARS WE'VE BEEN COMMITTED TO OUR CUSTOMERS,
TO OUR TEAM MEMBERS AND TO OUR COMMUNITIES.

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Mile by Mile

Keeping pace with the latest Ruan highlights.

Going the Distance

Our trucks traveled 312,993,701 miles in 2016.

312,993,701

Our drivers worked 12,455,855 hours in 2016.

12,455,855

We honored 261 professional drivers with Million Mile Awards in 2016—50 of these drivers were honored for achieving 2 million miles, and 11 achieved 3 million miles.

261/50/11

Industry Recognition

Ruan is regularly ranked in lists by industry trade publications. Here's where we landed in the past year.

Transport Topics

Transport Topics Top 50
Logistics Companies – **#25**
Transport Topics Top 100
For-Hire Carriers – **#38**

Inbound Logistics

Top 100 Trucker
Top 100 3PL Provider
75 Green Supply Chain Partners

Bulk Transporter

Tank Truck Carrier Gross
Revenue Report **#7**

Food Logistics

Top 3PL & Cold Storage Provider
Top **Green** Provider
100+ Top Software and
Technology Provider

Logistics Management

Quest for Quality award in the
Bulk Motor Carriers category

Journal of Commerce

North America's Top 25
Truckload Carriers **#14**



In February, Dan Greteman joined Ruan as vice president and chief information officer. Greteman's background is steeped in technology and business information management, having worked in the technology industry for nearly 28 years. He comes to Ruan from other CIO positions with Allied/Nationwide and Farm Bureau Financial Services. In both roles, Greteman led these organizations to deliver significant transformational projects. Prior to those roles, Dan spent his career in Chicago as partner with Accenture, a global management consulting, technology services and outsourcing company.

The American Trucking Associations (ATA) recently named Ruan Vice President of Safety Lisa Gonnerman the 2016 National Safety Director of the Year. Gonnerman has worked at Ruan since 2010 and has spent more than 24 years in the trucking industry. "By establishing strong safety cultures throughout her career in trucking, Lisa has made a significant impact on highway safety, which has undoubtedly saved lives," said Chris Spear, ATA president and CEO. "The trucking industry is fortunate to have committed safety leaders like Lisa, and ATA is proud to recognize individuals who make safety their top priority." Gonnerman is an active leader in organizations throughout the trucking industry, including ATA's Safety Management Council and the Iowa Motor Truck Association. She currently serves as chairman of the Safety Management Council's Regulations Committee.



Contact us today to receive a free analysis of your transportation spend!

After signing a mutual confidentiality agreement, our professional logistics design engineers will gather data and get to know your business. Then we evaluate areas we can make more efficient

and demonstrate how we can remove costs, decrease overhead, reduce risk and free up capital. **Call 1-800-782-6669, ext. 7, or e-mail us at Solutions@ruan.com.**



ECONOMIC
BENEFITS

REGULATIONS

CUSTOMER
INITIATIVES

MORAL
OBLIGATION

TECHNOLOGICAL
ADVANCEMENTS

going green

has become a hot topic in recent years, generating many conversations about what it means to be environmentally responsible. Companies are driven by economic benefits, technological advancements, regulations, customer initiatives and moral obligation to adopt sustainability measures — especially those in the transportation industry.

The Environmental Protection Agency (EPA)

reported that transportation was the source of 26 percent of greenhouse gas emissions in 2014. About 20 percent of the transportation sector's emissions are from medium- and heavy-duty trucks, but these trucks only account for 5 percent of all vehicles on the road. Ruan recognizes the role transportation providers have in environmental stewardship, so we have prioritized building green supply chains and continuously invest in sustainability initiatives.

The transportation industry must also comply with several regulations regarding such issues as greenhouse gas emissions. The EPA, along with the National Highway Traffic Safety Administration (NHTSA), developed greenhouse gas (GHG) regulations for medium- and heavy-duty trucks. Phase 1 covers model years 2014-2018, and Phase 2 built on the success of Phase 1 to include vehicles through model year 2027. According to the EPA, Phase 2 regulations aim to improve fuel efficiency, cut carbon pollution and promote a new generation of cleaner trucks by encouraging the development and deployment of new and advanced cost-effective technologies. By the time the regulations are fully phased in, tractors in a tractor-trailer will achieve a 25 percent efficiency improvement.

Ruan's strategy for lowering greenhouse gas emissions is to reduce diesel consumption on an intensity basis, resulting in fewer emissions per mile and meeting or exceeding regulatory targets. By collaborating with our valued partners, Ruan develops transportation solutions that are not only cost-effective, but also address our customers' environmental concerns and initiatives. In alignment with our Guiding Principles of Customer Satisfaction and Continuous Improvement, Ruan is always striving to improve the sustainability of our supply chain solutions.

"There is always more that can be done. Continually improving our sustainability

performance is important to Ruan, as well as to our customers," said Ruan Director of Procurement and Fuel Steve Larsen.

Ruan participates in the Carbon Disclosure Project (CDP) and has attained Management level designation. The CDP project also offers opportunities to coordinate with our customers and vendors on sustainability initiatives.

Another way Ruan prioritizes sustainability is by participating in the Department of Energy's (DOE) Clean Cities program. This program is dedicated to advancing the nation's economic, environmental and energy security by reducing petroleum use in transportation. It includes a national network of local coalitions, such as the Iowa Clean Cities Coalition. The coalition helps members, including Ruan, understand what grant programs are being offered for green initiatives, and provides a forum for discussion and access to numerous tools and resources.

"Our activities bring together groups of stakeholders that represent a wide variety of fleets and alternative fuel industry and transportation professionals," said Stephanie Weisenbach, coordinator of the Iowa Clean Cities Coalition. "That ability to convene, share best practices and ideas and build momentum has demonstrated value for stakeholders who are trying new things or searching for latest updates on a subject."

The Iowa Clean Cities Coalition nominated Ruan for the National Clean Fleets Partnership. This partnership exists to foster collaboration between Clean Cities coalitions and large private fleets to reduce the fleets' diesel and petroleum use through such methods as electric vehicles, alternative fuels and other fuel-saving measures.

"Having Ruan as part of that partnership really ensures that we have a leading national fleet based here in Iowa that is working with an ongoing commitment to sustainability," Weisenbach said.

Final Phase 2 GHG Rules

The Phase 2 GHG rules cover vehicle and engine performance standards for model years 2018-2027 for certain trailers and model years 2021-2027 for semi-trucks, large pickup trucks, vans, buses and work trucks. The rules were established after four years of substantial testing and research.

The EPA list of expected benefits of the standards include:

1.1 BILLION



CO₂ emissions lowered by approximately **1.1 billion** metric tons

\$170 BILLION

Savings of around **\$170 billion** in fuel costs for vehicle owners



2 BILLION



Oil consumption reduced by up to **2 billion barrels** over the lifetime of the vehicles sold under the program

“Ruan continues to prioritize environmental stewardship and the responsibility we have in creating a sustainable future.”

– James Cade

Ruan Vice President of Fleet Services

Ruan has extensively invested in fuel-efficient vehicle deployment and operating compressed natural gas (CNG) and renewable natural gas (RNG) powered vehicles within our fleet. We review maintenance facilities for opportunities to improve energy efficiency and design new maintenance facilities to be compliant to work on CNG vehicles, and consider options for converting existing facilities. Ruan’s fleet has traveled more than 50 million miles on CNG fuel, 40 million miles of which were renewable. In our vehicles that still operate on diesel, we opt to use higher biodiesel blends when available — 8,543,232 gallons worth in 2016. Our team members have shared their expertise regarding sustainability best practices with other industry professionals, members of the Iowa Clean Cities Coalition and through speaking at national venues such as Advanced Clean Transportation

(ACT) Expo. Ruan is a member of the 2017 ACT Expo Fleet Planning Committee.

“We’ve been able to work with Ruan to provide presentations on CNG in their fleet. It helps other fleets to hear from Ruan because they consider Ruan an industry leader,” Weisenbach said. “Ruan has done so much to improve fuel economy through technology and best practices. We look forward to being able to share those things with other fleets in the future.”

CNG has historically cost less than diesel and had lower price volatility, allowing for more accurate planning for transportation costs. However, diesel prices have been falling and have reached the lowest price in more than a decade, before recently bouncing back up to 2015 levels. Industry experts, such as those with Daimler Truck North America (DTNA), are making predictions on how cheap diesel prices coupled with the Phase 2 regulations will impact the industry. According to *Commercial Carrier Journal*, DTNA experts predict that while alternative fuels will still be of great interest, clean diesel will dominate the industry. These experts also predict the Phase 2 regulations will lead to a new normal fuel economy of 10 miles per gallon, possibly sooner than the 2027 deadline for implementation.

Ruan has numerous initiatives in place for improving overall fuel efficiency. During the ordering process, Ruan-purchased vehicles are

customized to maximize weight and power ratios to ensure the highest fuel efficiency possible. We work with engine manufacturers to develop longer-lasting, lower-emitting engines with improved performance and, therefore, lower fuel consumption. Ruan also utilizes preventative maintenance programs, driver training and speed controls, paperless technology and low environmental impact solvents and cleaners.

Ruan is routinely recognized as an industry leader in sustainability by trade publications such as *Inbound Logistics* and *Food Logistics* and is an official partner in the EPA’s SmartWay Transport Partnership. In 2016, Ruan was the recipient of the Advanced Clean Transportation Expo Fleet Award in the Private Fleet category. These awards recognize fleet operators who show true leadership in sustainable transportation by going above and beyond what is required to achieve sustainability in their transportation operations.

“Ruan continues to prioritize environmental stewardship and the responsibility we have in creating a sustainable future,” said Ruan Vice President of Fleet Services James Cade.

Ruan will continue to make strides to be an industry leader in sustainability. We stand ready to work with our customers to help them meet their own sustainability goals by reducing the carbon footprint of their transportation needs.

Savings add up with CNG

One of Ruan’s valued partners that we serve with a CNG fleet is **Fair Oaks Farms**. This operation alone displaces 1.8 million gallons of diesel annually. According to the U.S. Energy Information Administration, each gallon of burned diesel fuel produces about 22.38 pounds of CO₂. So for 1.8 million gallons, that would mean approximately 40,284,000 pounds of CO₂.

What does more than 40 million pounds of CO₂ mean? Figures to the right from the EPA’s Greenhouse Gas Equivalencies Calculator demonstrate the impact of that amount.

40,284,000 pounds of CO₂ is equivalent to:

Greenhouse gas emissions from:

3,860

passenger vehicles driven for one year



5,799

tons of waste recycled instead of landfilled



CO₂ emissions from:

19,498,511

pounds of coal burned



2,698

homes electricity use for one year



Carbon would need to be sequestered by:

473,553

tree seedlings grown for 10 years



146 acres

of U.S. forest preserved from being converted to cropland in one year



CORE

SAFETY
AT OUR

By Lisa Gonnerman
Vice President of Safety

I once had to inform a family that their truck driver wasn't coming home ever again after a fatal accident. I never want to have to do that again.

The safety of our professional drivers and the motoring public is of utmost importance at Ruan. So as Ruan's vice president of safety, I often lay awake at night brainstorming ways we can help ensure people get home to their families at the end of the day.

In addition to having the safest late-model equipment and policies in place to ensure drivers aren't behind the wheel when they're ill or too tired, our best tactic is to provide continuous, ongoing training. Upon hiring and annually, we train all of our drivers on our proprietary Megasafe7 Rules of Safe Driving—a comprehensive program established to help our team members continue to be safe, thoughtful, defensive drivers throughout their careers.

MegasafeFamily Ruan's Safe Driving Program For Families The Megasafe7 are embedded in everything we do at Ruan. We touch on the rules in all of our required quarterly safety trainings. Posters at operations remind drivers of key rule components. All of our truck cabs are equipped with a sticker listing the rules. We honor drivers for safe driving with million mile awards and our Megasafe Recognition Program.

Since launching Megasafe in 2012, we've seen our drivers avoid accidents, and our safety numbers have improved. We attribute this to our powerful Megasafe culture.

Unfortunately, too many people still fall victim to vehicle crashes. So in one of my late night brainstorms, I decided we should expand our Megasafe training to our team members' families—Megasafe Family was born. Our goal with Megasafe Family is to spread awareness for safe, defensive driving techniques in hopes that all family members in personal vehicles and semis return home safely every day.

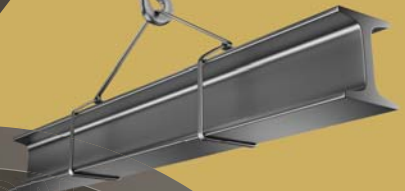
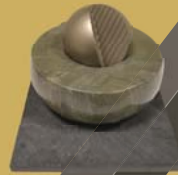
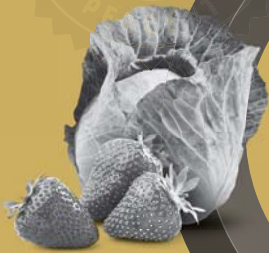
We adapted our Megasafe7 Rules of Safe Driving training to be more applicable to drivers in cars rather than heavy-duty trucks. The training module includes a comprehensive video and collateral materials. We invited the family members of all our professional drivers—specifically significant others and teenagers—to attend our 2017 first quarter training, which is mandatory for our professional drivers.

Megasafe Family is a great refresher for our drivers, and their family members hopefully gain tools to be defensive drivers—and to navigate around heavy-duty trucks. Throughout the training, we embedded some information about how semi-trucks operate and what they are and are not capable of doing.

SOME KEY ELEMENTS OF MEGASAFE FAMILY INCLUDE:

- + Many heavy-duty trucks are governed at a certain speed, often lower than the speed limit. This is done for safety. As a result, they aren't able to speed up to pass that other truck on the interstate. Be patient and slow down.
- + If a truck traveling in the right lane doesn't change lanes when a car is merging onto an interstate, it's most likely because a car is passing the truck on the left. Most truck drivers do not deliberately prevent cars from merging. Just slow down, be patient, and merge once the truck has passed.
- + Truck drivers are professionals. They go through extensive training and are usually the safest, most courteous drivers on the road.
- + Give truck drivers space at intersections, especially if they're turning. Follow Megasafe7 Rule 2: Expand Your View to see if any trucks will be crossing your lane to turn. If so, stop well behind the stop bar, giving the truck more room. If a truck is turning right, do not try to crowd between the truck and curb.
- + Trucks are heavy. It takes more time for them to start and stop. Please be patient. And understand that if a car slams on its brakes in front of semi, the semi might not be able to stop in time. Use Megasafe7 Rule 3: Maintain Proper Following Distance to avoid being in a hard-brake situation.

We want the Megasafe7 Rules of Safe Driving to be embedded in our team members' lives—and the lives of their family members. Whether you're in a semi or a minivan, the rules can save lives.



Reasons why we're

STILL GOING STRONG



FROM ONE TRUCK AND A DREAM IN 1932,

Ruan has grown to become one of the largest family-owned corporations in America. Along the way, we've steered trucking safety standards, driven our customers' business and transformed the communities in which we live and work. We hope the next 85 years bring even more success to our partners, as Ruan and the best team continue to find innovative new ways to provide superior transportation logistics and solutions.

THE FOUNDATION: OUR HISTORY AND OUR FOUNDER



1 Ruan was founded on July 4, 1932, by **John Ruan**—our first professional driver.

**HIS FIRST LOAD
HAULED WAS
GRAVEL.**



3 John Ruan sold his family's vehicle to purchase a truck. Within months, he'd turned that one truck into three, and just two years later, at the age of 19, he was running a fleet of a dozen trucks throughout the Midwest.



4 *To this day, we remain a privately held, family-owned corporation.*

John Ruan III leads as chairman, and **Benjamin McLean**, our CEO, is part of the third generation of the Ruan family.



6 In 1997, for his contributions to the logistics industry, the **American Trucking Associations' Ruan Transportation Center** building was dedicated in Washington, D.C., honoring Mr. Ruan's more than 50 years of service to the transportation industry.

In 2000, former Iowa Governor Robert Ray dubbed John Ruan the **"FATHER OF THE RENAISSANCE OF DES MOINES."**



8 John Ruan's biography *In for the Long Haul: The Life of John Ruan* was published in 2003.

Chairman John Ruan III served as Chairman of the U.S. Chamber of Commerce in 2013.

10 The Ruan family of companies includes *Ruan Transportation Management Systems, Bankers Trust, Concentric International, Ruan Commercial Auto Leasing, Avis Car Rental* and *Ruan Properties*.

The company sponsored the **Ruan Grand Prix SCCA Trans Am** race, a 1.8 mile street race in downtown Des Moines, IA, from 1989-1994.



BY THE NUMBERS: COMPANY FACTS & FIGURES

12 We have **5,600** team members, including **4,400** professional drivers.

13 *We have more than 300 operations nationwide.*



14 *We operate in all 48 continental states.*

**RUAN IS HEADQUARTERED
IN DES MOINES, IA.**



16 Ruan owns or operates **3,950** power units and **7,500** trailers.



17 Our mission is to employ the **best team in the industry** to move our customers' business safely, efficiently and on time, every time.



18 We abide by a set of five **Guiding Principles: Safety Focus, People First, Customer Satisfaction, Exceptional Performance and Continuous Improvement.**

VALUE STATEMENT:
We are committed to acting with integrity in all that we do.

20 Ruan endows the **World Food Prize**, the foremost international award recognizing excellence and progress in overcoming global food production and distribution challenges. Its \$250,000 annual prize honors the lifetime achievements of individuals who have advanced human development by improving the quality, quantity and availability of food in the world.



GETTING IT DONE: OPERATIONS

RUAN IS AN ASSET-BASED 3PL.

22 Ruan's Integrated Solutions combine the **flexibility** of non-asset and asset-based capabilities with **optimal technology** and **superior service.**

23 Our three core services are **Dedicated Contract Transportation, Supply Chain Solutions** and **Value-Added Warehousing.**

24 Dedicated Contract Transportation means drivers, equipment and an execution team are assigned to each client, **creating lower turnover, more effective training and improved security and product safety.**



*All the services required to move goods from one point to another—excluding the truck—fall under **Supply Chain Solutions.***

26 Some of the Supply Chain Solutions services we provide include:

- + Logistics management
- + Load management
- + Mode selection
- + Carrier management
- + Route optimization
- + Freight audit and pay
- + Certified brokerage services
- + Cross docking/postponement
- + Warehousing/warehouse management
- + Subassembly
- + Kitting
- + International crating

27 Ruan operates **1 million square feet** of ambient warehouse space.



WE HAVE GAAP REVENUE OF \$869 MILLION.

29 RUAN MANAGES MORE THAN \$1 BILLION IN ANNUAL TRANSPORTATION SPEND.

30 We employ on-site managers to direct fleets and drivers.



We have relationships with **thousands of shippers and pre-screened partner carriers.**

32 OUR ON-TIME DELIVERY RATE IS 99.8%

33 We serve a variety of customers in the following industries: **Grocery, Food Processing, Manufacturing, Chemicals, Retail, Beverage, Metals, Agricultural, Industrial Gases, Food Grade, Building Materials, Hazmat, Consumer Packaged Goods, Mining and Medical Supplies.**



312,993,701
In 2016, our fleet traveled 312,993,701 miles.

PREVENTION AND PROTECTION: SAFETY FOCUS

35 Ruan was the **first transportation company to implement a formal safety program** in the 1940s. Since then, our emphasis on safety has only grown.



36 In 2012, Ruan developed a proprietary safety program called **Megasafe**, a comprehensive system that guides training, safety meetings and overall field safety operations.



The key element of the Megasafe program is the **Megasafe7 Rules of Safe Driving.** These seven rules were established to help drivers—both in commercial motor vehicles and their own personal cars—continue to be safe, thoughtful and defensive drivers throughout their lives.

38 Ruan's **Megasafe5 Rules of Working Safely** are designed to help our professional drivers be safe while working but not driving by understanding the importance of good decision making and following proper techniques.



39 Our Vice President of Safety **Lisa Gonnerman** was named **Safety Director of the Year** by the American Trucking Associations in 2016.



Soon she will serve as **chairman** of the American Trucking Associations' Safety Management Council.

PEOPLE FIRST

41 Our team members are our most valuable resources. We strive to recruit and retain the safest professional drivers, customer focused operations team members and experienced office staff.



42 More than **60 percent of our truck drivers are home every night**, and nearly all are home multiple times per week. That makes for some very satisfied drivers—and is one of the reasons we have a driver retention rate five times the industry average.



43 And, our professional drivers handle the same type of equipment and cargo on most runs, they develop relationships with our customers and they generate ideas that **improve our customers' bottom lines.**

We offer a host of professional development opportunities for our operations and corporate team members, including ongoing training, associations memberships and tuition reimbursement programs.

44

45 Training is offered in the classroom, and there are self-directed courses on our **custom learning management system.**

46 Recognition is key for having engaged team members. We honor our drivers with **million mile awards**, our **Megasafe Awards and Recognition Program** (for years of accident-free driving) and our **Driver of the Year** program.



Annually, we recognize all the team members who work at our **Operation of the Year**, selected by our executive leadership team.

47



170 > 15 > 1

48 Each year in our Driver of the Year selection process, we recognize more than **170 Finalists**. The pool is narrowed to **15 Winners' Circle honorees** who travel with a guest to our headquarters to be recognized. There, we name a national **Driver of the Year**, who receives a cash award, trophy and the Driver of the Year title. This year, we'll name our 10th Driver of the Year.

The **Ruan Recognition Program** allows team members and leaders alike to recognize the outstanding performance of their co-workers.

49

50 Our founder instilled a deep sense of philanthropy into the company, and our team members have **numerous opportunities throughout the year to volunteer in their communities.**



As of July 2017, 300 Ruan team members have been with the company for 20+ years.

51

52 Our driver turnover rate is consistently **below 20 percent annually**—in an industry where the **average turnover hovers around 100 percent.**



CUSTOMER SATISFACTION

53 FOR 2016, RUAN'S CUSTOMER RETENTION RATE WAS

97.6%

54 Ruan's **Customer Satisfaction Program** was implemented in 2010 to give our customers an opportunity to anonymously grade our performance. In this program, we survey our largest customers, in terms of annual revenue or freight under management, annually to understand what we're doing well and how we can improve.

55 In our survey, the goal rating for each customer, month, quarter and year is **85 percent.**



Ruan has proven to be a good partner. That's what we were looking for. A company that's reliable, committed to our business, with people who make decisions in the interest of our business. That's Ruan.

John Kemp, Inventory Planning and Logistics Manager
Safelite AutoGlass

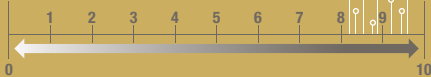
56 **2017 has been our highest scoring year on record.** We have remained above our goal of 85 percent.

We have partnered with several of our valued customers for more than 20 years.

57

58 The Ruan team collaborates with our customers to **create a one-source solution tailored to their specific transportation needs.**

OVERALL PERFORMANCE



Customers measure Ruan's performance in the areas of **professionalism, communication, customer service, operational priorities, overall performance and referral probability.**

59

60 Safety is a continuously high-scoring area for Ruan across customers and industries.

FROM THE TOP: HONORS & AWARDS

RUAN HAS BEEN RECOGNIZED BY INDUSTRY TRADE PUBLICATIONS FOR EXCEPTIONAL PERFORMANCE IN THE LAST YEAR:

#25 Number 25 on *Transport Topics'* list of the **Top 50 Logistics Companies.**

62 Number 38 on *Transport Topics'* list of the **Top 100 For-Hire Carriers.**

63 Included in three unranked *Inbound Logistics* lists: **Top 100 Trucker, Top 100 3PL Provider** and **75 Green Supply Chain Partners.**

#7 Number 7 on *Bulk Transporter's Tank Truck Carrier Gross Revenue Report.*



64

65 *Quest for Quality award* in the Bulk Motor Carriers category from *Logistics Management.*

66 Included in three unranked *Food Logistics* lists: **Top 3PL and Cold Storage Provider, Top Green Provider** and **100+ Top Software and Technology Provider.**

#14 Number 14 on the *Journal of Commerce's* list of North America's **Top 25 Truckload Carriers.**

One of the things John Sr. told me when I started working for him in 1966 was "You know the trucking industry is a 24/7 job." So I have to say we have always had a great work ethic here.

Jan Gillum, Administrative Assistant

BETTER AND BETTER: CONTINUOUS IMPROVEMENT

68 Ruan's customized transportation management system technology, RTMS2.0, combines software from two leading transportation system providers, other best-in-class logistics tools, including several load planning tools and a warehouse management application, and Ruan's custom intellectual property. **Our IT experts use RTMS2.0 to ensure our customers' freight ships safely and efficiently.**

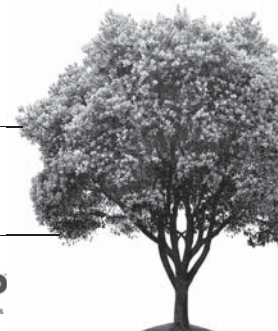


Our IT and logistics experts regularly **analyze routes and models seeking efficiency opportunities.**



70 Our operations team members **regularly provide innovative, creative ways to improve operations.**

71 Ruan has focused sustainability efforts and is a member of **SmartWay, National Clean Fleets Partnership (NCFP)** and participates in the **Carbon Disclosure Project (CDP).**



72 Ruan operates more than **100 compressed natural gas trucks**, reducing our carbon footprint.

73 We received the Advanced Clean Transportation (ACT) Expo 2016 Fleet Award for Leading Private Fleet that has gone beyond requirements to green their fleet.

I feel the importance of data and how we can leverage it across the company has increased over the time that I have been with Ruan.

Josh Otten, Continuous Improvement Leader

REACHING GREAT HEIGHTS: RUAN CENTER

74 The Ruan Center was constructed in 1975 with a total cost of \$24,307,327.

\$24,307,327

35 STORIES ABOVE GROUND AND TWO BELOW GROUND.

76 457 feet from street level to the top of the tower, with 24 feet below grade level.

457

24

THE BUILDING BOASTS 14⁷⁷ ELEVATORS.

78 Each floor is approximately 14,443 square feet. The total building is 600,000 square feet.

79 It was named one of the 50 Most Significant Iowa Buildings of the 20th Century by the Iowa Chapter of the American Institute of Architects.

80 This was the tallest building in Iowa from 1974 until 1990 when it was surpassed by the Principal Building at 801 Grand Avenue.

4,700

81 4,700 U.S. tons of structural steel was used for the frame of the building.



The exterior is composed of 1,600 U.S. tons of corten steel with bronze glass. **This steel was to turn a deep, rich chocolate color as it matured over 12-24 months; however, it failed to do so because there was not enough air pollution in Iowa** (as there was on the East Coast). That is the reason for the rust color on the frame of the building.



83 Floors 33 and 34 house the **Des Moines Embassy Club**, a private member supper club and conference center.

What I like about Ruan for the most part is co-worker comradery. We're in this together.

Connie Crawford, Executive Assistant

84 Ruan's boardroom includes four entrances. It is used for customer and executive meetings.

85 The table in boardroom came from one tree, and the tree was specifically cut for the table. The table was constructed in the boardroom and cannot be removed through any of the four doors.

SAFE,

ACCURATE &

EFFICIENT:

**RUAN ENSURES COMPLIANCE
WITH NEW ELD MANDATE.**

IN DECEMBER 2015, THE FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION (FMCSA) ISSUED A LONG-AWAITED RULE MANDATING THE USE OF ELECTRONIC LOGGING DEVICES (ELD) TO RECORD HOURS-OF-SERVICE (HOS) DATA, AND THE COMPLIANCE DATE FOR THE MANDATE COMES IN DECEMBER 2017.

Ruan made the investment in and implemented automatic onboard recording devices (AOBRDs) in 2012, and our experts have gained invaluable experience and knowledge in their use for compliance and identifying efficiencies. AOBRDs function similarly to ELDs and provide electronic logging capabilities to manage HOS. Our AOBRD provider is currently working toward meeting the specific functionality requirements of the ELD mandate, and once those requirements are met, users like Ruan will have the option to be grandfathered into the mandate using the current AOBRD or switch to the ELD functionality. Ruan will evaluate both options, but either way, our background with AOBRDs will make the December 2017 compliance deadline seamless for our customer partners.



"This is a regulation that is positive for our industry," said Ruan's Vice President of Safety Lisa Gonnerman. "It provides an even playing ground and helps ensure hours-of-service compliance — which ultimately enhances safety for all drivers."

In December 2016, our safety compliance department welcomed our AOBDR provider's developers to Ruan's corporate office to show them how the technology is currently used and offer suggestions for improvement in the interface to enhance ease of use.

"We're happy to have been able to provide feedback about the technology from a carrier perspective for them to implement when making updates," Gonnerman said. "I don't expect the changes to be significant, but we will be doing training with our professional drivers and operations office teams to ensure data is entered and captured accurately once the changes are rolled out."

While the vast majority of Ruan's fleet uses AOBDRs, our dairy operations still use paper logs — these operations will need to upgrade to ELDs by the December 2017 compliance date. If the rest of the fleet remains on the AOBDR functionality, we will manage a mixed fleet — though any new truck or operation will be required to use an ELD.

Ruan is in contract negotiations with a provider of a single hand-held device for our dairy drivers that will not only serve as an ELD, but also function with RedTrak, Ruan's proprietary dispatching system used in our dairy operations.

"Drivers and office staff in these dairy operations will be trained on the new hand-held devices well before the compliance deadline," Gonnerman said.

The ELD mandate is one of the largest and most complex issues facing the trucking industry this year.

The American Transportation Research Institute (ATRI) released a list of the critical issues affecting the trucking industry according to a survey of industry stakeholders, carriers and commercial drivers — and the ELD mandate was number one on the list.

"New concerns surrounding privacy, the potential to inappropriately use the information tracked by ELDs and industry-wide productivity loss caused the issue to top the critical issues list, climbing from the number six position in 2015," according to the ATRI report.

While the ELD rule provides both procedural and technical provisions to prevent harassment resulting from ELD-generated information, many drivers are still concerned. The Owner-Operator Independent Drivers Association (OOIDA) strongly opposes the mandate, citing issues with the cost of ELDs, preserving confidentiality and prohibiting coercion, according to *Fleet Owner*. In June, the U.S. Supreme Court declined to hear the association's ELD lawsuit, but the group vowed to continue to press Congress.

A separate FMCSA rulemaking from 2016 aimed to safeguard drivers from being coerced to violate HOS regulations, providing the FMCSA the authority to take enforcement actions not only against motor carriers, but also against shippers, receivers and transportation intermediaries. Essentially, the rule allows FMCSA to take enforcement action against anyone in the transportation chain who knowingly and recklessly jeopardizes the safety of the CMV driver and the motoring public.

According to FMCSA, coercion includes pressure to violate federal safety, hazardous materials or commercial regulations with implicit or explicit threats of job termination; denial of subsequent trips or loads; reduced pay; forfeiture of favorable work hours or transportation jobs; or other direct retaliations.

This coercion rule created procedures for commercial drivers to report to the FMCSA incidents of coercion, as well as implemented penalties that may be imposed on carriers that coerce drivers, according to the FMCSA. Penalties could include revocation of a carrier's operating authority.

Ruan empowers drivers to be the Captain of the Ship. If they are too sick or too tired to drive safely, or if they have concerns about the safety of a vehicle, they are encouraged to contact their operations staff with their concern. Operations staff

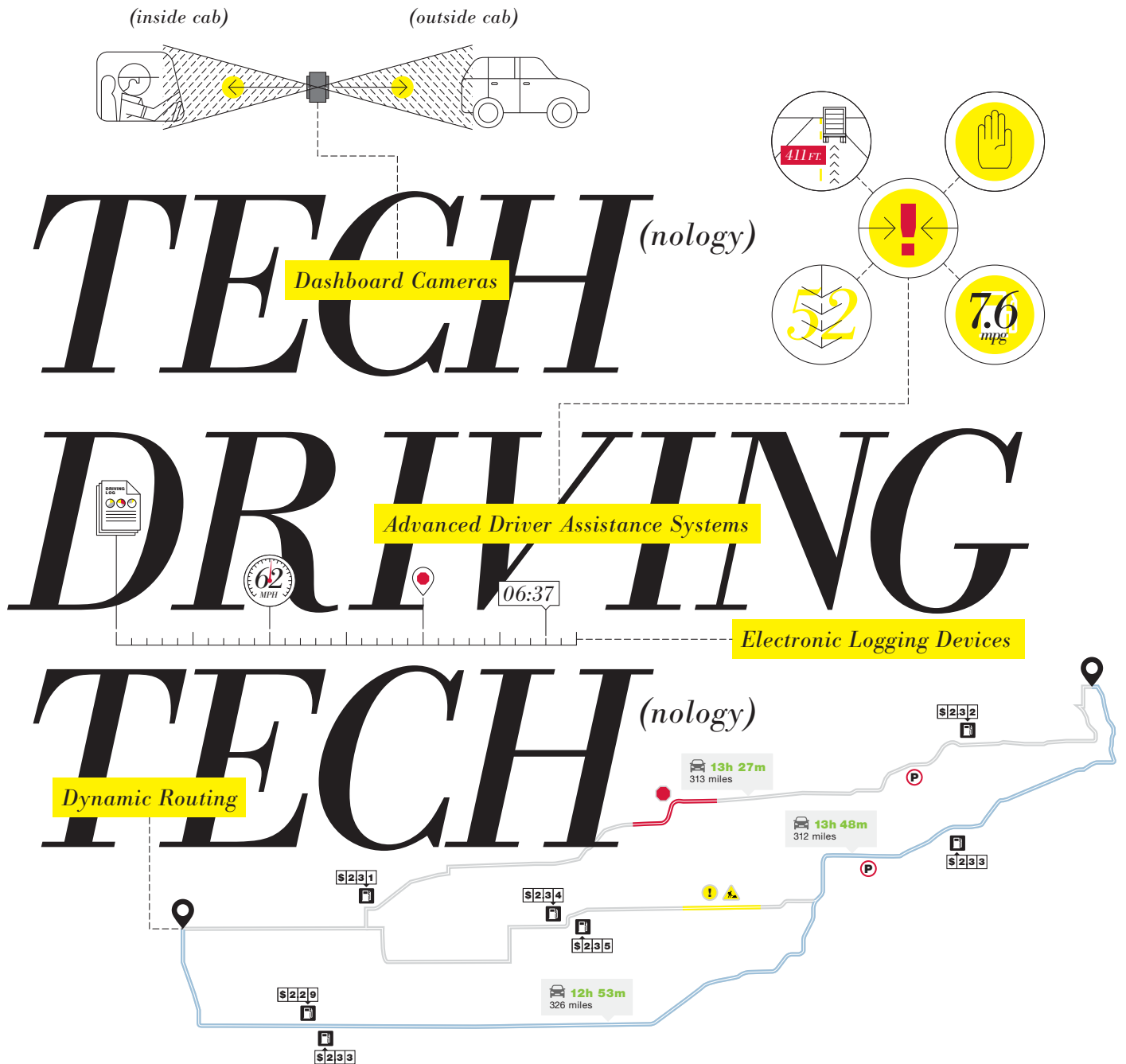
are trained to work with drivers in these scenarios to ensure the safety of our professional drivers and the motoring public.

The FMCSA tried several times to create an ELD mandate before one was finally published. The ruling outlines how data is transferred roadside, what supporting documents must be maintained, how long a unit can be broken down, what edits a driver can make on the log and how time will be logged for yard moves and other events.

NEW CONCERNS SURROUNDING PRIVACY, THE POTENTIAL TO INAPPROPRIATELY USE THE INFORMATION TRACKED BY ELDs AND INDUSTRY-WIDE PRODUCTIVITY LOSS CAUSED THE ISSUE TO TOP ATRI'S CRITICAL ISSUES LIST, CLIMBING FROM THE NUMBER SIX POSITION IN 2015.

New HOS supporting document rules within the ELD mandate will help reduce paperwork needs, such as the retention of shipping documents, fuel purchase receipts, etc. In most cases, a motor carrier using ELDs will not be required to retain supporting documents verifying on-duty driving time, according to FMCSA. The mandate will impact approximately 3 million commercial drivers, and the FMCSA estimates it will result in an annual benefit of nearly \$1 billion, largely by reducing paperwork. Roadside law enforcement personnel will also save time reviewing driver records during stops.

In addition, FMCSA expects the mandate to have safety benefits. Annually, the use of ELDs could save 26 lives and prevent 1,844 crashes, according to *Fleet Owner*, because it will be more difficult for drivers to drive past HOS limits.



The vast majority of goods in the world are shipped on a heavy-duty truck at one point or another. In 2015, the most recent year for trucking data, trucks hauled 64 percent of the tonnage and 69 percent of the value of all goods shipped in the U.S. It's no surprise that the technology that governs heavy-duty trucks has seen rapid advancements in recent years. And as the population—and therefore demand for freight—continues to grow, so will in-cab and office technological advances.

Today, new trucks are coming equipped with advanced technology designed to assist the driver in avoiding accidents — either by activating controls on the truck or allowing fleets to coach drivers on certain risky behaviors. While companies continue to focus on continuous training for their drivers, even the safest fleets and drivers can have accidents — expensive accidents.

ADVANCED DRIVER ASSISTANCE SYSTEMS

The cost of advanced driver assistance systems (ADAS) is much less expensive than all the costs associated with a severe accident, especially if the truck driver is at fault. ADAS rely on a combination of radar- and camera-based components to intercede on the driver's behalf to eliminate or greatly decrease a collision's severity, according to *Commercial Carrier Journal*.

These systems can also provide data on driver performance, allowing fleet managers coaching opportunities to not only improve safety, but also Key Performance Indicators (KPI) like mpg. ADAS monitors events like hard braking, following distance alerts, lane departure warnings and speeding.

Ruan began equipping new trucks brought into the fleet with collision safety systems, a type of ADAS, with some of the 2014 model trucks. Since the onset of using the technology, Ruan has monitored accident results.

"Overall, the safety results we have experienced for the trucks with the collision mitigation systems are phenomenal. Those units equipped with a collision safety system have fewer rear-end, merging and lane change accidents than those not equipped with the systems," said Vice President of Safety Lisa Gonnerman. "The collision mitigation systems are another tool to help the driver be aware of their surroundings and a potential safety event. The driver is still in control of the vehicle; the system helps the driver be safer."

Currently, approximately 51 percent of Ruan's fleet has a collision mitigation system installed. We will continue to see this number grow as we take delivery of new trucks, all with the technology installed.

DASHBOARD CAMERAS

Dashboard video cameras — road facing and driver facing — are increasing in popularity for fleet managers for a number of reasons, primarily the ability to view and record real-time driver performance. Onboard video event recorder systems link into a truck's engine to record video clips before and after exception-based events such as speeding, forward collision warnings, harsh braking, lane departure alerts and collisions. Those videos may then be accessed for driver coaching or for litigation in the case of an accident.

ELECTRONIC LOGGING DEVICES

In December 2015, the Federal Motor Carrier Safety Administration (FMCSA) issued a rule mandating the use of electronic logging devices (ELD) to record hours-of-service (HOS) data, and the compliance date for the mandate comes in December of 2017. Technology providers have used the last year and half to ensure their systems comply with the rule specifications, and carriers are preparing to implement them. See page 14 for an update on how Ruan is preparing for the ELD mandate.

Technology in Action

One of Ruan's professional drivers in San Antonio, TX, recently shared a story about an accident that happened in front of him — and how his collision mitigation system technology undoubtedly helped saved the life of the driver in front of him and allowed our driver to avoid injury, perhaps worse. A semi in front of our driver hit a barricade at an overpass, and our driver changed lanes to avoid that accident. But in the split second that this was happening, the car in front of our driver reacted by coming to a complete stop to avoid the accident. "My truck just completely came to a stop without me hitting the brakes or anything," the driver said. "That system — it helped saved her life."

Having this data helps determine fault in accidents. By having a clear picture — literally — about what happened, companies avoid he-said, she-said situations. Additionally, dashboard cameras allow fleets to proactively identify drivers who exhibit risky driving behaviors. By coaching drivers to eliminate those behaviors, they're less likely to have accidents.

Ruan is currently testing 100 road- and driver-facing dash cameras in one of our business units, and we have seen great results, particularly in correcting driver behaviors. "I think there's a lot of potential with dash cameras to protect transportation companies and drivers, and to change behavior," Gonnerman said.

ELDs have a host of capabilities, from ensuring regulatory compliance to providing real-time data. Drivers no longer spend time manually updating trip logs; instead, they simply have to enter a change of duty status and note any exceptions (like damaged freight). ELD technology activates time tracking once the truck is put into motion, providing an arrival time when the truck arrives at its delivery point — information that can be sent in real time to customers and the carrier. The driver's drive time, on-duty time and total number of hours worked per week are all recorded by the ELD system. Therefore, it is easy for the driver to see when he or she is approaching hours-of-service limits.

DYNAMIC ROUTING

Simple navigation software can now be transformed into a dynamic routing system through an overlay of data sets like traffic conditions, truck parking locations, diesel prices and weather conditions. Navigation systems combine these factors to prioritize roads for drivers to take on their trips to avoid potential delays. These systems — which are offered through leading transportation technology companies like Telogis and TMW — can also change ETAs automatically based on weather and traffic events, and alerts can be sent to customers regarding delivery delays. Dynamic routing can keep drivers safe and customers informed.

THE FUTURE

It remains to be seen how technology will continue to advance in years to come — but it will surely continue to improve the way fleets, trucks, drivers and customers interact on a daily basis. Already, these advancements in in-cab and on-truck safety technology have merged with office technology to automate a host of tasks, allowing fleets to become more efficient. Instead of manually inputting, uploading or auditing data, many fleets now rely on real-time wireless technology to automate data transfer — like from ELDs — and office processes like invoicing and payroll. In addition to fewer manual tasks, fleet managers and their customers have visibility of ETAs, detentions and deliveries.

Most importantly, as more trucks are needed to haul more freight, fleets will rely on safety technology advancements to keep professional drivers and the motoring public safe. In fact, more and more safety technology will likely be mandated as safety is the most important component of the job truck drivers do every day.

Below are details about the capabilities of the two types of collision mitigation systems currently in some Ruan trucks: The Meritor Wabco OnGuard Collision Safety System and the Bendix Wingman Stability and Collision Mitigation System.

MERITOR WABCO
Safety Strong. Efficiency Smart.

MERITOR WABCO ONGUARD COLLISION SAFETY SYSTEM

OnGuard is a driver assistance system that helps the driver quickly recognize and respond to potentially dangerous driving situations such as a rear-end collision or following too closely.

Collision Warning System: OnGuard's collision warning system (CWS) generates an audible and visible alert when the vehicle's following distance may result in a collision. This feature is always active when the truck is above 15 mph.

Collision Mitigation System: The collision mitigation system (CMS) detects a potential rear-end collision developing ahead and responds by braking as needed to help the driver avoid an accident if the driver does not take action to decelerate the vehicle. OnGuard's active braking automatically de-throttles the engine and applies the engine retarder and foundation brakes to provide up to .35Gs of braking power. The active braking application is intended only to assist the driver to possibly avoid or reduce the severity of an accident. The driver must take the appropriate corrective action in response to the collision warning.

Adaptive Cruise Control: The radar-based OnGuard system has adaptive cruise control (ACC) with active braking that assists the driver in maintaining a safe following distance. It works in conjunction with conventional cruise control to maintain the set cruise speed when no vehicle is being tracked and maintains a minimum following interval when a target vehicle is being tracked.

Bendix

BENDIX WINGMAN STABILITY AND COLLISION MITIGATION SYSTEM

The Bendix Wingman system will respond to dangerous situations with alerts if a driver fails to operate the equipment as expected at the recommended minimum following distance. Like the Meritor system, the Bendix system does not take control away from the driver. Rather, it is intended to assist as needed to take energy out of a potential forward collision, rollover or jackknife situation.

Active Cruise with Braking: Active cruise is applied with normal cruise control is activated, and it automatically maintains a 3.5 second gap between other vehicles; radar detects vehicles within 500 feet. The system will de-throttle, retard the engine and apply up to one-third foundation brakes to maintain a 3.5 second gap.

Three Driver Alerts: The Wingman system has three audible and visual alerts: Impact Alert, Stationary Object Alert and Following Distance Alert. Impact alert makes a sound when the driver is about to impact the forward vehicle. Stationary object alert sounds when a driver is within 3 seconds of a sizeable, in-lane metallic object. Following distance alerts indicate that you are following too closely and should back off.

Forward Collision Mitigation: Forward collision mitigation works independent of cruise control. It will automatically apply up to two-thirds of the braking power when a collision with a vehicle in front of you is likely.

Full Stability Protection: Full stability protection is a tractor-based system that monitors the vehicle and driver intent. It typically activates before the driver realizes a situation exists. Most importantly, it is a system with the power to act and help avoid or recover from roll and loss-of-control conditions.

Partners say the nicest things.

For our 85th anniversary, we received some kind words and birthday wishes from the people who make everything possible: our customers. To them, and all our other valued partners, we say:

Thank you.

Stephen Armstrong, *President & CEO* **O'Neal Steel**

I want to wish the entire team at Ruan congratulations on 85 years in business. What a wonderful accomplishment! At O'Neal Steel, our partnership with Ruan began seven years ago, and we could not be more pleased with the results. As a family-owned company ourselves, culture and values played an important role in our selection of a logistics provider, and with Ruan we found such a fit. While the team at Ruan continues to provide us with expertise in all things trucking—safety, load securement, route planning and regulatory management—it is the culture and shared values that make Ruan not just a vendor, but a true partner in our business. Congratulations and best wishes for the future!

Fred Erb, *Director of Transportation* **Steel and Pipe Supply Co.**

Ruan has been a true partner, exemplifying the “Safety First” mentality and adapting to our ever-changing business requirements. They are genuinely part of the team creating solutions. Through communication at all levels of our organization, they ensure we are aligned to address the complex challenges of delivering our products and services to our customers.

Mike Shannon, *Transportation Manager* **Steel and Pipe Supply Co.**

Happy 85th, Ruan. SPS has been a part of the Ruan team for many years dating back to the early to mid-1980s. Always a top-notch, well-run company, which has helped SPS grow to where we are at today.

Nicole M. Giesie, *Sr. Director of Logistics – North America* **Ryerson**

Happy 85th Anniversary, Ruan! I have enjoyed my first year with you and the amazing team you have behind you. I look forward to celebrating many future years with you as we continue to grow and strengthen our partnership. Thank you for what you do for Ryerson and our customers!

Eric Parker, *VP of Distribution & Logistics* **Airgas Merchant Gases**

Ruan has been an integral part of our bulk supply chain since our inception, and it is no surprise that they have achieved 85 years of excellence in trucking. We value Ruan as a partner who is committed to helping Airgas grow our business, safely and with a keen focus on operational efficiency.

Stewart Lichtman, *President* **Bushwick Metals LLC**

Congratulations on reaching your 85th successful year in business. The partnership that Ruan and Bushwick prosper from every day proves that if you reach 85, you're doing it right. So Happy 85th Birthday to all of my friends and colleagues at Ruan Transportation.

Curt H. Warfel, *North American Logistics Development & Sourcing Manager / Bulk* **AkzoNobel Sourcing**

Congratulations to Ruan on your 85th anniversary! To do anything for 85 years would be an accomplishment, but to navigate the ups and downs of the trucking industry for 85 years is nothing less than an outstanding achievement! To have survived and been successful in the trucking market as long as Ruan is testament to the dedication and creativity of every Ruan employee throughout the organization and across the years. So again; congratulations to an outstanding transportation partner from Akzo Nobel! We wish everyone at Ruan a very happy and well deserved 85th anniversary!

Hank Ungerleider, *Director of Transportation* **C&S Wholesale Grocers**

Congratulations Ruan Transportation on your 85th Anniversary. Your professionalism and performance over the years are major factors in your company's successes. You are a great partner, and we wish you the best for continued growth and success!

INTEGRATED SOLUTIONS

SUPPLY CHAIN SOLUTIONS & DEDICATED CONTRACT TRANSPORTATION

RUAN



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Optimize your entire supply chain with Ruan. Don't spin your wheels with an inefficient supply chain. Reduce costs when you optimize your supply chain with Ruan, an asset-based 3PL. From comprehensive Supply Chain Solutions to Dedicated Contract Transportation to Value-Added Warehousing, we work with you to design a solution that brings everything together, seamlessly and affordably.

Our people work side-by-side with your team to uncover savings and areas for improvement. Then, our processes streamline every step of your supply chain, from mode selection to dock scheduling to freight audit and pay. And our innovative technology tools make your freight—and your savings—visible. Now you're moving in the right direction.

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