

Quality Drives the World's Largest
Wyandot
Good to the Last
CRUNCH!
Private Manufacturer of Snack Foods

It's 7:30 a.m. and the transportation department is already humming at the Marion, Ohio headquarters of snack food giant Wyandot. The four-person team that makes up the department is busy coordinating an integrated inbound and outbound distribution system that delivers fresh salty snacks to customers across the United States and around the world.



As orders are verified by Wyandot operations, appointments are set for customer deliveries. Trucks and drivers dedicated full time to Wyandot are being assigned to specially designed routes, delivering products to wholesale and retail warehouses. Return, or "backhaul," loads are also being secured so trucks return full with other shippers' merchandise, which reduces Wyandot's overall costs.

When dedicated trucks can't be used efficiently and cost-effectively in closed loop routes, then common carriers are assigned to transfer the freight one-way to the customer. The best carrier for each load is selected, schedules are set for product pick-up and delivery windows established with the customer. At the same time, on-time performance is being evaluated from the previous day's deliveries and carrier invoices audited for accuracy. The inbound transportation of the raw materials that are used in Wyandot products is coordinated in a similar fashion. The staff is charged with planning and operating an optimum system that matches the correct

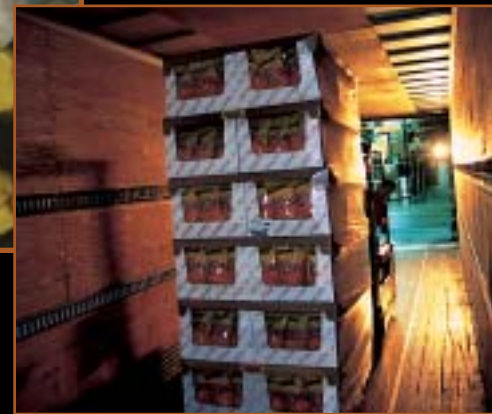
mode of transportation and individual carrier to the service demands of the production department.

Each week, the transportation team is responsible for the movement of 130,000 cases of product and raw material on more than 100 truckloads to customers throughout the United States. Their function is mission-critical to Wyandot's success. Yet, a visitor to Wyandot's manufacturing facility might be surprised to find out that these four professionals, occupying a small work area in the corner of the headquarters building, are not Wyandot employees.

By way of background, Wyandot's business was growing in 1994 – new products were being added and customers were demanding a higher level of service. The timeliness of deliveries was a key component of customer service and the cost of distribution needed to be kept at a minimum so as not to take a "bite" out of already small profit margins. Excellence in the distribution process was seen as a key strategy by Wyandot leadership, and it was agreed that the company did not have the internal



In a matter of minutes, corn is cooked, turned into paste, formed into a chip, baked and packaged... Guaranteeing freshness and flavor.



resources necessary to take distribution to the next level. The company's management also knew that it didn't want to get back to running its own private fleet. It decided to review the relationship with its provider of dedicated contract carriage services. So Wyandot sought proposals from other third-party providers and, after a comprehensive review process, selected Ryder as their partner.

"Ryder was chosen in part because it offered the most cost-effective service proposal," recalls Denny Midlam, Wyandot's Distribution Manager. "We also knew that the Ryder name stood for transportation excellence."

Initially, Ryder provided 22 vehicles as part of a dedicated contract carriage arrangement that replaced Wyandot's private fleet. Ryder also leased Wyandot 65 trailers. Along with the vehicles and trailers, drivers were carefully screened, tested and hired by Ryder. Driver safety and fuel incentives were established and paid by Wyandot. Support services such as preventive

maintenance, emergency road service, fuel, administrative support, dispatching and, of course, management were put in place. The four-person transportation department, under the leadership of Ryder Transportation Manager John Hickman, was given a workspace right in Wyandot's headquarters manufacturing facility.

"After a time, the system was working so well that Ryder was assigned the responsibility of managing all of Wyandot's carrier freight," said Midlam. "We had hired Ryder as the transportation expert, so it made sense that they should handle all of our product deliveries. Initially, Ryder took over Wyandot's existing carrier contracts, but soon after, they began selecting the most cost-effective carriers using their tremendous buying power. They also planned and assigned all routes and schedules."

With dedicated contract carriage and carrier management under Ryder, a higher level of process integration was brought to the system, saving Wyandot both time and money. Ryder could then use its objectivity to determine the optimum transportation solution, having

the latitude to choose the best combination of service and cost that met Wyandot's needs. In an innovative twist to the system, Ryder sometimes uses dedicated vehicles on carrier routes to increase overall fleet utilization. Wyandot is charged regular carrier rates and receives a credit against the fixed dedicated rates. "This new process and Ryder's buying leverage helped us save seven percent on our freight bill, even with fuel prices skyrocketing," adds Midlam.

While the relationship grew over the years, there was an unforeseen challenge. Misfortune struck Wyandot in 1996 when the Marion manufacturing facility burned to the ground. But the values that had defined this family-owned business for three generations kept the company going for the year it took to rebuild. Ryder continued its operating excellence, shifting more services to Wyandot's Jeffersonville, Indiana manufacturing facility and other contract manufacturers. Thanks to a team effort between Wyandot management and employees, the new facility resumed complete operations in November 1997. And

what a facility it is. In 1998, the Marion plant was named "New Food Plant of the Year" by *Food Engineering* magazine, a credit to Wyandot management and its devoted, skilled workforce.

Today, Wyandot is the industry's premier manufacturer of private label potato chips and corn-based snacks. As an example, Wyandot manufactures and packages snack foods for 10 of the top 12 grocery chains in North America. Wyandot also provides similar services for other food retailers, including three of the top four drugstore networks and the top three mass merchandisers. Private label products are also provided to wholesalers, who offer their retail customers snack foods using Wyandot's private labeling capability.

Major fast food chains provide another market for Wyandot, as they expand their menus to include snack foods such as tacos with a salad. Finally, a growing market for Wyandot is contract manufacturing. When the world's largest food companies look to develop new product innovations, they turn to Wyandot for their



Denny Midlam
Wyandot Distribution Manager

Midlam relies on Ryder as his "Transportation Department," allowing him to address broader strategic issues.



John Hickman
Ryder Transportation Manager

"Wyandot has made Ryder a full partner in its processes, which allows us to do our best work."



technical expertise, quality, state-of-the-art facilities and timely distribution.

It becomes apparent that with hundreds of customers, unique products and customized packaging, controlling distribution presents a complicated challenge. This is where Ryder adds further value. Wyandot knows exactly how the system is working at all times due to the customized weekly reports provided by Ryder. Variables such as distribution costs and on-time deliveries for both the carrier and dedicated contract carriage runs are measured and reported. Ryder surveys Wyandot customers on a continuing basis, and complaints are captured and root causes are identified and corrected. "We also have Ryder measure trailer availability," adds Midlam. "We have very little warehouse space, so we load trailers continuously so they're ready to go when tractors return. And, thanks to Ryder's ability to schedule backhaul loads of raw materials for our manufacturing plant or freight

from other shippers, Wyandot's trailer capacity is utilized a whopping 87 percent of the time."

Midlam also notes that fuel costs are easily monitored because Ryder provides detailed reports of fueling activity by unit at Ryder service islands. "Each time our trucks take on fuel, Ryder carefully checks the vehicle systems."

The Ryder transportation team knows how well the system has operated on a daily basis. And so does Denny Midlam. "Having a thorough reporting system and an efficient transportation department assists me in managing the overall distribution process at Wyandot. I can tell you that Wyandot's senior management is very pleased with Ryder's performance, not only with the financial impact they have had on our business, but particularly their outstanding record of on-time delivery and customer service."