

SUPPLY CHAIN SPECIAL

# Logistics

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## Tech Outlook

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# JOHANSON

## TRANSPORTATION SERVICE

### MANAGING FREIGHT, DELIVERING SERVICE

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## COVER STORY



Each employee at JTS is a visionary and has the freedom to undertake strategic initiatives to improve customer service delivery

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## TRANSPORTATION SERVICE

### Managing Freight, Delivering Service

By Syed Haseeb Ahmed

“**O**ut of despair came hope. Out of hope came opportunity. Out of opportunity came compassion. Out of compassion came dedication. Out of dedication came transformation,” wrote Richard

A. Johanson in his memoir, “A Passion for Stewardship: The Legacy of a Generation.” The excerpt duly summarizes the eventful life of Richard, who grew up during the Great Depression and served in the Marine Corps during World War II. It is no surprise, compromising values for momentary gain wasn’t his game. This very attribute prompted him to move out from the comfort of his job and establish his own business in 1971, which would be a metaphor for all that he stood for: integrity, gratitude, and respect.

Starting with a staff of four crowded in a small rented office at a local truck stop, Johanson Transportation Service (JTS) has grown to over eighty employees today, operating from six offices in four states. “The same founding principles continue to be the guiding light for JTS,” says Larry Johanson, the President, and CEO of JTS. Larry holds the same passion he had while joining his father in 1973, landing his very first opportunity at JTS: starting a new business division for perishable goods. Under Larry, the unit became a primary revenue driver for





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the firm, broadening the company's freight base from dry food commodities into fresh produce, food products, and a variety of other goods.

Taking over the reins from his father, in 1989, Larry became the President and CEO of JTS. Handpicking valuable talent along the journey and having charted many success stories, JTS over the years has created a network of truck, air, ocean and rail intermodal transportation, providing a comprehensive portfolio of domestic and international services, including logistics management, and consulting services to clients.

As a third-party solutions provider, licensed property broker, licensed ocean freight forwarder, and non-vessel operating common carrier (NVOCC), JTS offers customized freight solutions, including dry and temperature-controlled truckload, less-than-truckload, air and ocean freight; rail intermodal; and comprehensive importing/exporting solutions with a single point of contact. Their unique combination of highly experienced consulting, logistics management, and cutting edge technology delivers transparency through stronger support, control, and predictability across the supply chain in an end-to-end manner.

While having information technology (IT) as the recourse to eliminate blind spots in the supply chain, JTS brings to bear their key tenets to create a lasting impression on the clients. Their persistent effort for greater customer service has led to the development of FreightOptixx™—a cloud-based transportation management system (TMS) that allows the customer to manage their freight from start to finish, transforming the company into a mature third-party logistics provider.

### **The Freight Optimizer**

With FreightOptixx™, shippers and carriers get a central, easy-to-access

online location to seamlessly manage their freight activities. The system optimizes orders, tracks shipments, runs analytics reports and allows users to view shipping documents and accounts payable status. With this TMS, carriers get a single window to find available loads and equipment while being able to enter tracking information and check route mileage.

Furthermore, the mobility-driven TMS allows users to request instant spot-rate quotes from multiple carriers displayed within the system. They can create and update freight orders, consolidate shipments using the lowest cost-optimizer tool, send pickup instructions to the carrier electronically, and run reports for on-time delivery freight-cost reconciliation and exceptions.

As a proponent of supply chain visibility, JTS provides clients with all the tools to select their equipment and track their orders at no extra cost. Using FreightOptixx™, customers can drive down the cost of freight transportation by choosing from several different carriers that JTS collaborates with. Once they click on a particular LTL order in the TMS system, it will show various carriers from least expensive to the most. It also shows the transit time, based on which carrier they choose. JTS aggressively negotiates with the carriers on the customer's behalf for LTL pricing. The company leverages the large volume that it transports through its carrier network to get better pricing for their clients. Clients that have existing contracts with carriers can compare with JTS' pricing; the same feature is available for larger LTL or truckload business. JTS firmly believes in vetting the carriers before they use them to load their freight. Their time-tested relationship with carriers and clients allows them to go an extra mile and engage clients in unique ways that are distinctive in the industry.

“FreightOptixx is a testimony of JTS as the flag bearer of transparency in the supply chain,” asserts Larry.

### **Synergistic Relationship with Clients**

Larry reminisces how their client engagements have helped JTS evolve into a supply chain management powerhouse. For instance, JTS has built a highly customized TMS solution that took several iterations to fit the unique needs of one of their clients, an internationally-owned manufacturer of irrigation equipment and supplies for the farming industry. For another client, JTS has managed carrier compliance aligned with federal regulations, carrier contracts, and insurance to ensure safe and reliable transportation of the freight. The company has also developed a unique program through which it manages logistics of temperature-controlled trailers into a chilled distribution center, loading them and taking them back to a secure facility. These are a handful of examples where JTS was hands-on in meeting their clients’ requirements while maintaining the high scalability of their solutions.

JTS has been a Blue Book Transportation Member since 1979—an elite group that represents companies that are reputable, conscientious and honest and that have a strong financial position and fair trading policies. JTS is also a certified SmartWay® Transport Partner, which testifies that JTS is committed to promoting energy efficiency and better air quality within the transportation industry.

### **Team with a Unified Vision**

Besides the technology leadership, the entire team at JTS has been instrumental in the company’s success. “We have an incredible team that is aligned to the founding principles of JTS,” informs Larry. The executive team, having been part of JTS for more than 25 years,



consistently focuses on improving service while supporting one another and bequeathing the tribal knowledge to their younger colleagues. With the millennials on the team, the senior leadership finds it inspiring to see them drive the company forward. For JTS, the unique combination of industry knowledge and ideas of the young workers act as a cradle of innovation that leads to better business ideas.

Each employee at JTS has the freedom to undertake strategic initiatives to improve customer service. The company employs the unique concept of ‘committee’ to transform ideas into action—and eventually, into favorable business outcomes. Different committees work as a single entity within the firm on strategic initiatives, which are taken to executive leadership. For instance, JTS has built their IT systems for all their business areas in house—including accounting, insurance, and carrier management. “The entire team of JTS is fully focused and driven by the desire to be the very best—a forward-thinking, cutting edge brokerage company,” says Larry.

For Larry, his father is his greatest inspiration and teacher who believed in

imparting a portion of their resources to public service. Larry continues his father’s legacy by giving back to the community. JTS assists universities, hospitals, and non-profits in the form of Fresno State Scholarships, Fresno Pacific University, and Community Hospital Systems. They also support charities that help families, underprivileged children, and veterans through financial gifts and sponsorships.

### **Anchoring Future Success**

For the future, JTS doubles down on adding more resources to forge stronger IT capabilities that will put the company in a strategically advantageous position. Rather than expanding to new locations, Larry believes in the prudence of leveraging their IT prowess and taking on board new blood that aligns with the values of the company.

“It takes an immensely talented group of people, working as a unit, to continue the successful journey. JTS is not about the triumph of one person but each one in the team,” says Larry as the concluding statement, reflecting on his father’s words: “May we always recognize that our earthly and spiritual needs are inseparable.” **LT**