



2005 Technology in Transportation and Logistics Survey Results

January 2005

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7th annual eyefortransport North American Technology Forum
April 25-26 2005
Hyatt Regency McCormick Place, Chicago
www.eyefortransport.com/natech

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I Introduction

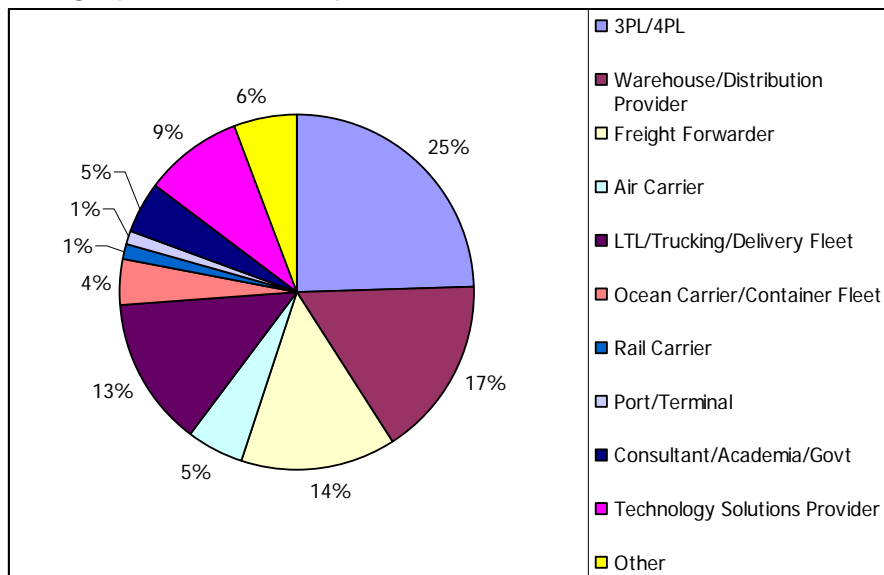
Technology in the transportation and logistics industry is quickly transforming the way business gets done, information is used and operations are run. With wireless applications and RFID making the headlines, eyefortransport wanted to find out exactly which technologies the industry was focusing on, from IT upgrades, to Bluetooth. eyefortransport also sought to understand the degree to which technology investments were customer-driven across a wide selection of various technologies, and the key drivers when upgrading or enhancing a technology offering and/or capability.

eyefortransport conducted the Technology in Transportation and Logistics Survey from December 2004 to January 2005. This survey was timed to coincide with the announcement of the 7th annual eyefortransport North American Technology Forum, April 25-26 2005 in Chicago. Much of the results you will find in this report will be discussed and debated in the Forum program. For more information on the eyefortransport survey results or the Forum, contact Chris Saynor at csaynor@eyefortransport.com, 1 800 814 3459 ext 209 or +44 (0) 207 375 7564.

II Survey Summary

Over three hundred transportation and logistics professionals responded to the survey, which was conducted via a third-party web site. Responses were solicited in a targeted email campaign that included select trade associations, industry related databases, and other highly specific groups.

The industry demographics of the respondents are below:



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Respondents were asked the following questions: to describe their main business, to rate the degree to which their company was working with a selection of technologies, the degree to which a selection of their technology capabilities and services are customer driven, and their most important motivating factors when deciding to upgrade technology capabilities and customer offerings.

Surprisingly, the survey found that there were not significant statistical differences within the varied transport and logistics industry demographics. The industry's responses as a whole, however, were very indicative of the upcoming important technology trends and key drivers for the industry.

III Overall Transport and Logistics Industry Adoption

The primary purpose of this survey was to distinguish the hype from the reality. That is, what the latest technology buzz was about vs. what technology industry executives were actually working on. We asked everyone to rate the degree to which their company was working with various technology applications and IT solutions, from 'not interested at this time', to 'interested, but with no plans to invest', to 'planning to invest', to 'already investing in'.

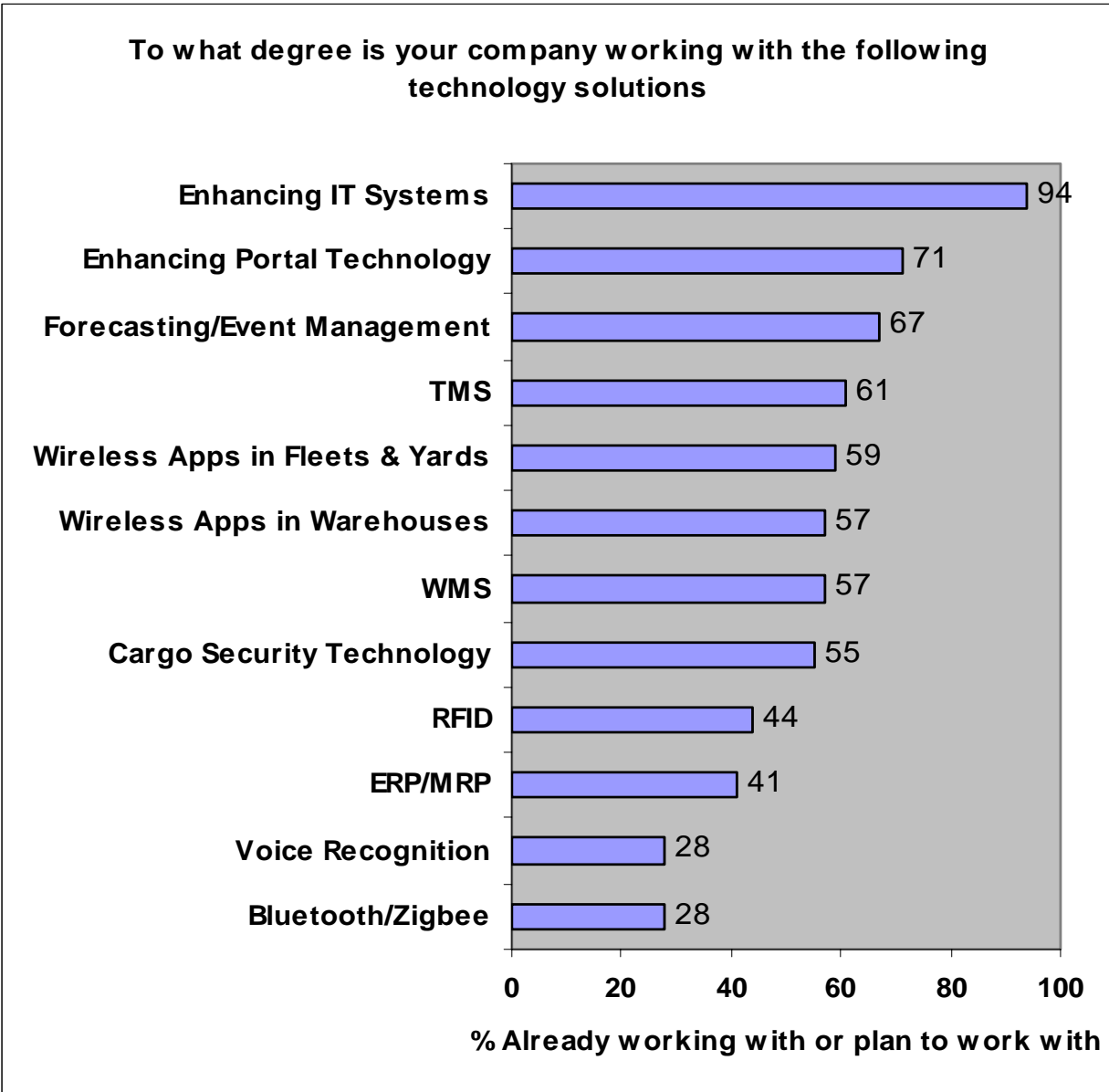
The top three technologies transport and logistics companies were already investing in were:

- Enhancing their IT systems
- Improving portal technology
- Forecasting/event management

Close behind were TMS and wireless applications in fleet and yard management. The top three technologies people were 'not interested in at this time' were: Bluetooth and zigbee, voice recognition, and ERP systems.

44% of technology executives in the transport and logistics industry stated that they were already invested in, or planning to invest in RFID technology. Although a relatively low percentage when examining the other technologies listed, this is fairly high adoption rate considering the industry is just one month into the WalMart initiative, and many only become aware of this now-indispensable technology two years ago.

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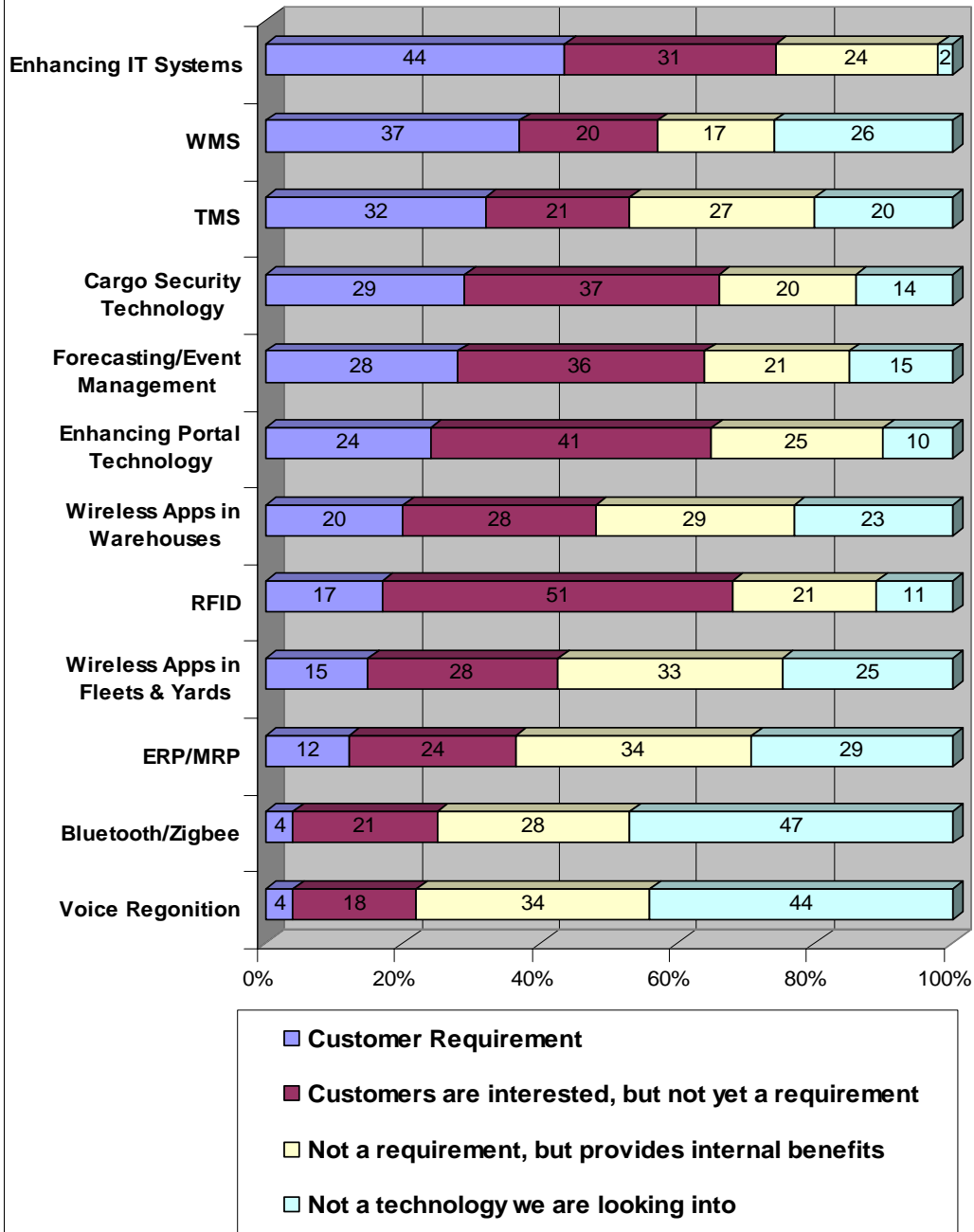
IV Customer-Driven Technology Offerings

The second issue the survey looked at was to what degree various technology investments were customer driven. This is a particularly intriguing issue when measuring ROI and determining long and short-term benefits. The technology that rated highest amongst transport and logistics executives was the same one they reported as having already invested in - enhancing IT systems. WMS and TMS came in second and third, respectively.

RFID poses another interesting case, with only 17% saying their customers are demanding it, but over 50% indicating their customers are very interested. This could indicate the industry anticipates a high volume of RFID-related services from their customer network, and are therefore investing now, or planning to invest soon.

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To what degree are your technology capabilities customer driven



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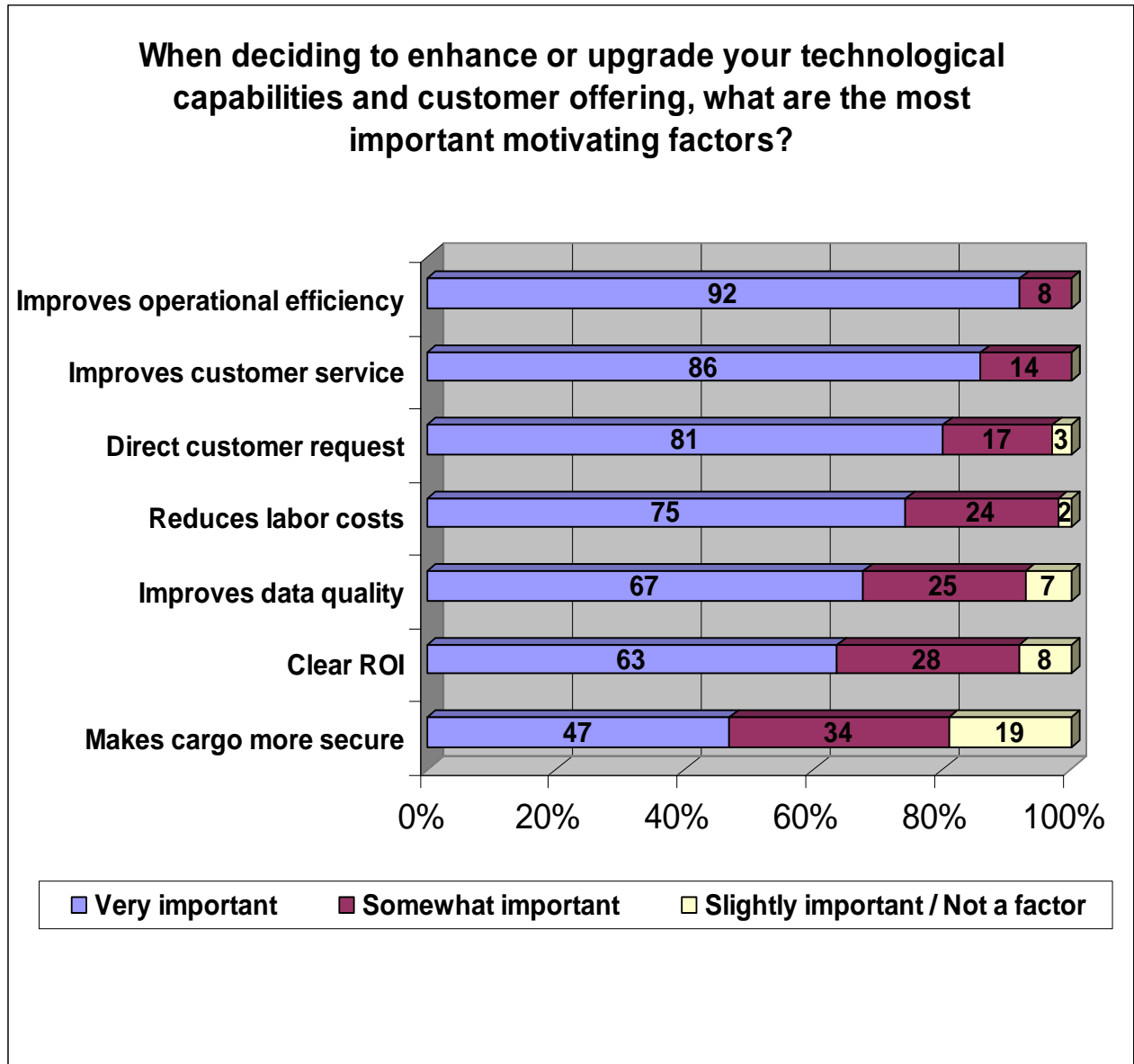
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V Key Industry Motivating Factors for Technology Investment

The final issue that the survey explored was the real-life motivating factors for transport and logistics executives. The clear driver in this case was improvements in operational efficiencies. Second and third were improvements to customer service and direct customer request. Achieving ROI was surprisingly low on the list, with only 63% claiming it was a significant motivator.



VI Overall Industry Implications and Conclusions

The first interesting implication these results showed was that there is not a significant difference between modes of transport, in terms of the varying technologies they are looking at. The industry as a whole seems to be moving in the same direction in terms of which technologies they are adopting and why. Possibly learning from different modes of transport, and generally investing for the same reasons.

While customer driven motivations are certainly the most important, operational efficiencies and improved customer services over-ride direct customer requests, and more strikingly a clear ROI. This could reflect a less cost-conscious environment, and a greater willingness to invest in the future of technology, today.

RFID appears to be the next big technology to shake-up the industry. The respondents indicated many of their customers have shown interest, and are highly interested themselves in learning more about the real-life costs and benefits. However, the industry will also be looking out for improved operations resulting from this technology, as the survey indicated that operational efficiency is currently the most important driver for investment.

VII 7th eyefortransport North American Technology Forum

The 7th annual North American Technology Forum takes place April 25-26 in Chicago. This is a senior level event for technology executives to find out about the latest opportunities, advancements and trends critical to the transport and logistics industries. Important technologies - and the business and operational processes that are affected by them - will be discussed in real-life case studies, senior-level panel sessions and highly informative, interactive roundtable session.

For more information on attending, exhibiting or sponsoring this event, contact Jessica Thurber at jthurber@eyefortransport.com, 1 800 814 3459 ext 252, or +44 (0) 207 375 7564