



MAKING THE CASE FOR Using the Port of Jacksonville to Lower Your Cost to Market

Situated within a day's drive of 70+ million consumers, America's logistics center is a place where shippers of all sizes and across all industries come to lower their cost to market and grow their enterprises.

It's a Fact: Jacksonville is the Logistics Center of America

DRIVE INTO JACKSONVILLE, FLA., and you'll probably notice a roadside sign that states, "America's Logistics Center." Aptly named, this Florida city is positioned at the nation's center when it comes to moving shipments from Point A to Point B.



"This isn't just propaganda; it's a fact," says Scott Lane, CIO at Jacksonville-based Beaver Street Fisheries, a wholesaler of seafood and meat that sells to mass discounters, grocers, distributors, food service companies, and restaurant chains. "Look at where Jacksonville is on the map, and we're sitting here between two Class I railroads, three major highway systems, and a port that carries over 1.3 million TEUs of cargo annually."

Peel back JAXPORT's layers a little further and you'll find a robust logistics infrastructure that spans all modes of transportation, ocean carriers of all sizes, and third-party logistics (3PL) companies. "When you factor in the many 3PLs that are based here in Jacksonville," says Lane, "our logistics footprint is clearly expansive."



Wanted: The Right Logistics Hub

Many factors are taking a toll on shippers' bottom lines: international tariffs, global competition, rising freight rates, fluctuating transportation capacity, and the need to fulfill customers' orders at lightning speed. With customs complexity, soaring real estate costs, and a push to keep costs in check compounding these issues, finding an efficient and affordable gateway is no longer a luxury—it's a necessity.

For shippers like Beaver Street Fisheries, Margo Garden Products, AJC International, and Industry West, JAXPORT provides a reliable, wide-reaching logistics infrastructure that helps these and many others compete effectively in the global marketplace.

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— *Scott Lane,*
CIO, Beaver Street Fisheries

“Geographic location, access to consumer markets, available container capacity, and highway infrastructure all play into JAXPORT’s strong logistics mix,” says Aisha Eccleston, the port’s director of national container accounts.

That “mix” has proven especially vital for companies that must keep up with the fast pace of e-commerce. With so many companies transforming their business models, and with more and more transactions taking place online, customers want their stuff now. They won’t settle for less than that, which makes the right logistics infrastructure that much more important.

Focused on balancing efficiency with speed-to-market, more companies are turning to JAXPORT as a viable hub. “Companies are dealing with U.S. consumer demand that didn’t exist 10 years ago, when receiving an order in 5-7 days was the norm,” says Eccleston. “Customers today demand faster shipping times. Knowing this, more firms are reevaluating their footprints in the market and their supply chains as a whole.”

For these shippers, JAXPORT serves as both a strong logistics foundation on its own, plus a highly-networked transportation hub that gets products to their destinations quickly and efficiently. “We serve as a true partner in this process, both internationally and domestically,” says Eccleston. “As a port, our ultimate goal is to help shippers get their goods to their customers fast.”

Connecting Critical Markets

With more companies focused on optimizing their transportation networks, JAXPORT boasts ample land-based infrastructure (e.g., warehouses and DCs); more than 100 trucking firms with Jacksonville operations; and 40 daily trains across two different Class 1 rail lines (CSX and Norfolk Southern), regional rail Florida East Coast Railway, and on-dock rail operations. Combined, these entities provide high levels of connectivity to and from numerous southeastern consumer markets.

No one knows this better than

Lane, whose company averages about 2,500 containers of seafood products annually. Previously using the Port of Savannah, Ga., due to carrier choice, the company was paying high drayage rates for trips between Jacksonville (where the company is based) and Savannah. After switching to JAXPORT about six years ago, Beaver Street Fisheries immediately began seeing the benefits of that decision.

“Not only is the drayage much less expensive, but we can now turn several containers per day,” says Lane. “That saves us both money and time, both of which are critical ‘wins’ for our business.”

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— *Aisha Eccleston,*
Director of National Container Accounts, JAXPORT

In this Making the Case, we not only highlight JAXPORT’s core strengths and show why it truly is the logistics center of America, but we also hear from numerous shippers and one 3PL that are already reaping the rewards of doing business via this full-service, international trade seaport.



Situated Right in the Heart of the South Atlantic

A FULL-SERVICE, INTERNATIONAL TRADE SEAPORT situated at the crossroads of the nation's rail and highway network, JAXPORT is located in Northeast Florida, right in the heart of the South Atlantic. The port owns, maintains, and markets three cargo terminals, two intermodal container transfer facilities, and a passenger cruise terminal along the St. Johns River.

Just a handful of JAXPORT's strengths, these characteristics make the ocean port very desirable for a wide range of companies, and for good reason. Whether it's a home goods shipper that's importing products from overseas, a local company that ships consumer goods to the Caribbean islands, or a 3PL that benefits greatly from having rail and intermodal capacity right in its own backyard, the benefits of using JAXPORT are extensive.

"In terms of key differentiators, Jacksonville has a very strong transportation and logistics infrastructure that includes plenty of industrial space," says Frank Camp, JAXPORT's director of cargo sales.

Home to 138 million square feet of warehousing and industrial space, Northeast Florida also has another 11 million square feet currently under construction or planned. "That well exceeds the total amount of warehousing and industrial space in places like Savannah and Charleston, S.C.," says Camp.

When furniture shipper Industry West recently needed additional warehouse space to accommodate

its growing southeastern operations, for example, it worked with the port to find the space it needed. Sissy McQuaig, Industry West's COO, says the company opened a 121,000-square-foot DC in Jacksonville about a year ago. She says part of the decision to open the company's largest DC to date was based on the city's commitment to area business and to making infrastructure investments.

Situated about 30 minutes from the JAXPORT terminals, five minutes to I-10, and 10 minutes to I-95, the new DC gives Industry West the global reach that it wanted. "It's been pretty amazing," says McQuaig. "As we continue to grow, we'll use our Jacksonville infrastructure to push products out to our geographically-dispersed customer base." McQuaig is equally as enthusiastic about JAXPORT, which she says continues to grow, strengthen, and expand every year.

"The city has made investments in the port, which has done really well in continuing to grow and seize new opportunities," says McQuaig. "When you use JAXPORT, you know that you're getting a port that can support your business for years to come."

Saving Money and Headaches

Under pressure to operate faster than ever with the same number (or fewer) of financial and human resources, importers and exporters need transportation infrastructure that helps them meet

those needs...and more.

JAXPORT meets and exceeds these needs. Here's the proof: according to recent economic studies that examined the total landed costs of routing cargo from China and Vietnam to markets in Central Florida (Orlando), JAXPORT was the least cost port option by a significant amount.

"When shipping from Asia through JAXPORT to the densely populated Central Florida market, shippers could save up to 17% on total landed cost," Camp says.

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JAXPORT also maintains a close relationship with U.S. Customs and Border Protection (CBP), which is

just one of many partners that make the location such a great place to do business. This is a particularly important point in today's uncertain trading environment, where new tariffs and regulations can surface at any time.

"We speak regularly with the CBP about trade issues and how those can potentially impact our customers," Camp says.

Backhaul Opportunities Abound

According to Camp, JAXPORT also maintains high volumes of data that it uses to help shippers optimize their own supply chains and transportation networks. JAXPORT's strategic location also creates myriad backhaul opportunities that other ports can't leverage. By matching up "empty miles" with shippers who need to, say, ship a container back to the U.S. from Puerto Rico, the port helps to maximize the reverse logistics process.

"We're in a great place to be able to do this because not only do we capture the entire state of Florida, but also states throughout the Southeast U.S.," he says.

"That creates an even bigger pool of shippers and saves everyone money."

Finally, the port's team is known industry-wide for its excellent levels of customer service. In fact, a recent survey of logistics managers ranked the port as being number one in the South. It also received an overall weighted score that was highest

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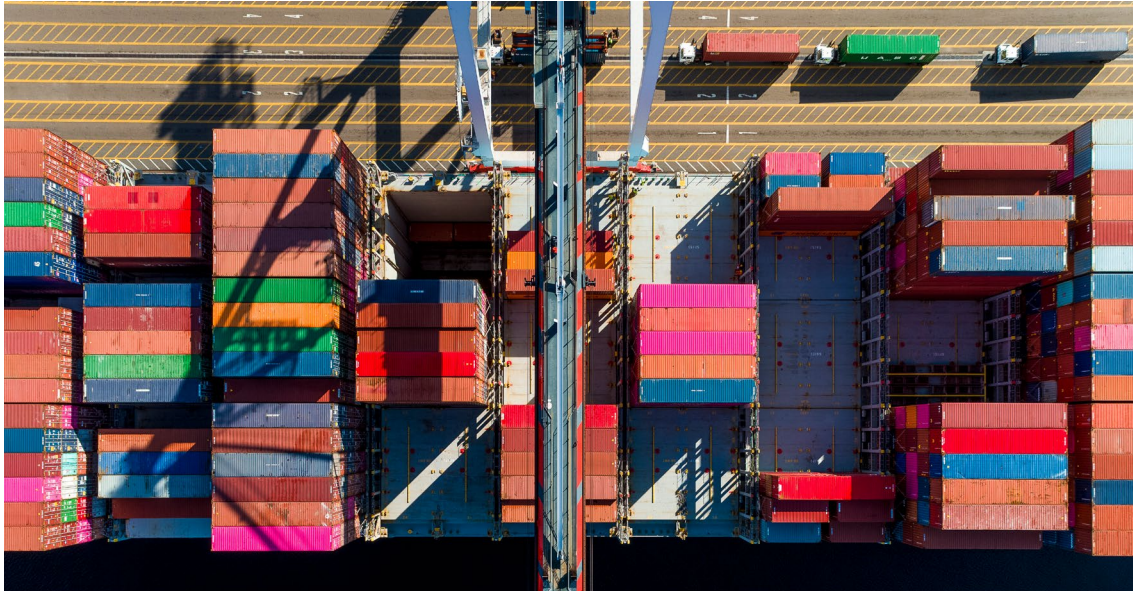
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across all ports nationwide.

"We love saving our customers money and helping them streamline their end-to-end supply chains, be it through standard or customized solutions," says Camp. "We're extremely proud of our customer service record and we take pride in our ability to help customers achieve success."

JAXPORT Offers the Best of Every Transportation Mode



A S A 100-YEAR-OLD, FAMILY-OWNED 3PL, Total Distribution, Inc., has been operating in the Jacksonville market for decades. According to Ike Sherlock, president of the company's Florida division, the 3PL's relationship with JAXPORT dates back 40 years. He says expansion of the port's Asian container volume has been a particularly attractive point for Total Distribution, which is also a beneficiary of the broader city's strong labor force.

"We have some very good, skilled workers in Jacksonville, which has historically always been a strong city on the logistics front," says Sherlock. In most situations, he says the 3PL is picking up containers from the port, unloading them into its warehouses, and then using truckload carriers to ship those goods to its customers.

"The highway connectivity here really plays to our advantage," says Sherlock. "There are over 70 million U.S. consumers within one day's drive of Jacksonville, and the population only continues to grow."

Sherlock says Total Distribution also benefits from Jacksonville's robust rail infrastructure, which includes CSX, NS and Florida East Coast Railroad. Add the port's

ever-growing list of ocean capabilities to the list, and you wind up with a perfect logistics hub for a 3PL that serves customers throughout the southeast.

"In this region, Florida DOT is constantly improving the flow of traffic and making it easier for us to get the job done," says Sherlock. "Whether it's by truck, train, intermodal, or ocean carrier, Jacksonville offers the best of every mode."

To a shipper that's considering JAXPORT as a potential logistics hub, Sherlock says that in his company's 40+ years of working with the port, the opportunities only continue to expand. "The operators that work in the JAXPORT facility are top-notch and all great communicators," says Sherlock. "Our supply

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— *Ike Sherlock, President-Florida Division, Total Distribution, Inc.*

chain is ever-evolving, which means disruption is something we have to eliminate from the equation. We see no such disruptions when working with JAXPORT.”

Reliable Connection Points

As director of global transportation and logistics services for AJC International, the largest U.S. exporter of poultry, Chris Swartz oversees a multipronged operation that is both a global marketer of refrigerated food and an asset-based logistics provider. The company ships to 140 countries and sources from 30 different countries.

Swartz says AJC kicked off its Jacksonville logistics strategy about 10 years ago, when it opened a 55,000-square-foot refrigerated facility in the region. Part of that decision was based on the company’s operations in Puerto Rico, which are readily serviceable from Northeast Florida.

A consumption market, Puerto Rico requires special attention, and particularly when shipping milk, cheese, chilled

foods, and other perishable items. The company also relies heavily on the port’s intermodal connections, with a particular emphasis on Chicago.

“We have a pretty high volume of products coming from Chicago to Jacksonville,” says Swartz. “When you’re running a company that ships to 140 countries, you need a lot of diversification in terms of where you operate and how you serve your customers.”

Strategic Wins

A relative newcomer to the JAXPORT shipper scene, Margo Garden Products was operating from Folkston, Ga., until about a year ago. A distributor of landscaping pebbles, fire glass, and clay pots, the company imports products from countries like China, Indonesia, the Caribbean and India.

That decision has worked out well so far for Margo Garden Products, which is on track to import even more containers of product over the next few years. “If everything falls into place, we may double our imports in 2020 compared to this year,” says Diaz, who calls the company’s Jacksonville hub the “perfect location” for transporting goods all across the U.S.

“Right now, we’re sending product to California, Texas, Pennsylvania, Ohio, and all of the heartland cities,” says Diaz, who tells other shippers to put JAXPORT at or near the top of their lists as they shop around for potential shipping hubs.

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“About two years ago our accounting department ran the numbers and came to the conclusion that having a location in Jacksonville meant no longer needing 3PLs to bring product up to Folkston,” says Orlando Diaz, general manager. “The decision was based mainly on proximity to JAXPORT.”

accessible from I-10 and I-95—and close to rail operations—means we can ship from Jacksonville to anywhere in the country,” says Diaz. “As an importer, we get the unique advantage of working from a very strategic location while also having easy access from any point in the supply chain.”

MAKING THE CASE FOR JAXPORT

When companies choose JAXPORT as a logistics hub, everyone wins.

FOR LOGISTICS MANAGERS: Focused on the day-to-day operations taking place both inside and outside of the four walls of their warehouses and DCs, today's logistics managers need tools and resources that help them get orders from Point A to Point B as quickly and efficiently as possible. JAXPORT's ecosystem helps logistics professionals identify cost advantages, expedite connectivity and reliability, as well as deliver unique opportunities to third-party logistics companies (3PLs).

For shippers, Jacksonville offers a strategic location in the growing Southeast U.S.; ocean connections to and from 140 ports worldwide; intermodal connections to key markets including service by two Class I rail lines and regional rail; and an expansive network of service providers—from 100 trucking firms to dozens of freight forwarders and 3PLs—that's ready to safely and efficiently move cargo.

“Our team helps logistics managers plan their routes more cost effectively and leverage our full suite of services,” says Aisha Eccleston, the port’s director of national container accounts. JAXPORT also helps logistics managers navigate the business-friendly climate that extends throughout the entire Northeast Florida region, where the port maintains strong partnerships with regulatory agencies, tenants, and terminal operators that manage freight activities.

“We also have a very vibrant trucking community and a great rail infrastructure,” says Eccleston, “both of which help logistics managers streamline their supply chains and enjoy seamless, worldwide shipping.”

FOR THE VP OF GLOBAL LOGISTICS: JAXPORT’s team of experienced logistics professionals provides VPs with innovative solutions to help grow their business and bottom line by putting a complete port ecosystem to work for them. From a strategically placed DC to backhaul opportunities and more – taking a deep dive into the ecosystem can increase efficiency and reduce the cost of a business’ supply chain.

Many times, VPs of global logistics are looking to diversify their supply chains and their supply chain partners, both of which JAXPORT can support. “These professionals don’t want to put all of their eggs in one basket,” says Eccleston. “They need long-range solutions to their supply chain and transportation challenges; not just something that works today.” They also want to be able to go back to the C-suite and say, “We’ve added JAXPORT to our list of port partners, and it’s increased our efficiency by X percentage points and saved us X number of dollars.”

To support these long-range goals, JAXPORT serves as an excellent hub or alternative shipping location. “We’re easy to do business with, we offer a multitude of worldwide connections, and we help lower shippers’ cost to market,” says Eccleston. “This is just one of many advantages that VPs of global logistics will enjoy, all while ensuring that their goods get to their customers in the most efficient and effective manner possible.”

FOR THE CEO OR COO: With the ongoing goal of increasing revenues while keeping costs at a manageable level, C-level executives managing operations love JAXPORT for the many benefits that it provides. From its strategic southeastern location to the 70+ million consumers that are within a day’s drive to the dozens of ocean carriers that call on it daily, this “hidden gem” on the East Coast stands out for numerous reasons.

Even so, a 2018 survey of logistics professionals found that 42 percent of those surveyed were unfamiliar with the port. This creates a unique opportunity to take advantage of a strong infrastructure, available warehousing/DC space, and a labor force that remains strong despite the national skilled labor shortage.

“When you’re the person who is responsible for making sure everything moves smoothly through the supply chain, you need a strong partner like JAXPORT in your corner,” says Eccleston, who points to the port’s foreign trade zone (FTZ), customized shipping solutions, and strong relationships with U.S. CBP as the additional return on investment that CEOs and COOs typically see.

“Making a product is one thing but getting it around the world is a whole different matter,” adds Eccleston. “In a world where transportation drives the final costs in any product-oriented business, companies can lower their cost to market by working with a strong partner like JAXPORT.”

MAKING THE CASE

USING THE PORT OF JACKSONVILLE TO LOWER YOUR COST TO MARKET

A Recipe for Success

WHETHER A COMPANY IS LOOKING FOR AVAILABLE WAREHOUSE SPACE, more efficient ocean connections, lower cost to market, or faster speed to market, it will find what it's looking for at JAXPORT.

As the many shippers and 3PLs interviewed for this Making the Case have already attested to, the port's strategic location, commitment to continuous improvement, and high levels of uninterrupted service make it the right choice for a wide range of shippers. JAXPORT also makes good economic sense.

According to all of the companies interviewed for these articles, doing business with the port has translated into cost savings while also enhancing efficiencies—a veritable recipe for success in today's fast-paced, e-commerce-driven distribution environment. A shipper that's suddenly able to capitalize on backhaul opportunities that didn't exist before, for example, will quickly find itself reaping the rewards (while also drastically reducing its number of "deadhead" miles).

"Companies can reach more than 70 million customers within a day's truck drive from Jacksonville; that presents some pretty compelling opportunities for shippers that are looking to diversify their transportation options," says Frank Camp, JAXPORT's director of cargo sales. Sitting at the

intersection of three major interstate highways (I-10, I-75, and I-95), Jacksonville is known for its business-friendly environment, skilled workforce, and easy access to both the entire state of Florida and the southeast as a whole.

"We're not only the third most populous state, but our population continues to grow year over year," says Camp. "As a result, we've seen a lot of interest from shippers that realize the importance of access to a huge consumer market which, in turn, helps create faster speed to market. Geographically, we're in a great position now and will be well into the future."

Scott Lane, CIO at Beaver Street Fisheries, concurs with Camp, and says his company has experienced steady, year-over-year growth over the last 15 years. During that time, he's called on JAXPORT for support on more than one occasion, and the port has come through every time. "It's a very business-friendly port, so it's easy to establish relationships with them," says Lane. "Yet, the organization is still small enough that we feel like we always get that personal touch."

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