



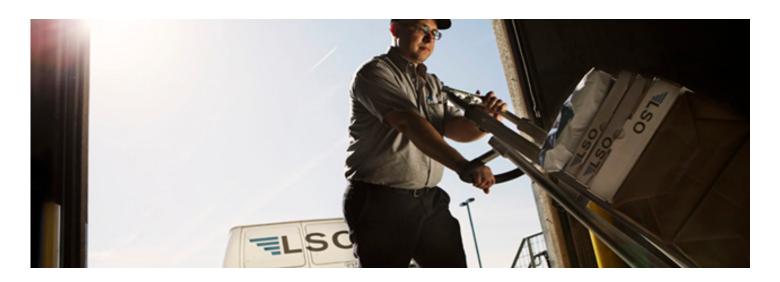


## **Regional Parcel Carriers**

A Regional Parcel Carrier (RPC) is a company that does everything the major shippers do, but within a smaller market and with less overhead, giving them an edge over the "big shippers."

RPC's provide shipping and transportation services, for both business-to-consumers (B2C) and business-to-business (B2B) companies, in a specific geographic region. Unlike UPS or FedEx, however, which serve the entire globe, RPCs focus on a narrowly-defined area and therefore are able to offer lower rates, faster delivery, service options with more flexibility and customization, and superior customer service.

RPCs focus on a narrowly-defined area and therefore are able to offer lower rates, faster delivery, service options with more flexibility and customization, and superior customer service.



### A Better Way To Ship

As businesses saw during the e-commerce boom at the start of the 2020s, major carriers have not only <u>struggled to keep up with on-time deliveries</u>, they've been tacking on <u>steep peak-season surcharges</u> and <u>imposing volume caps</u> for longtime customers. In essence, the big shippers are telling businesses to accept these higher rates and lower performance, or go elsewhere.

As e-commerce continues to grow, and with peak season returning each year, many businesses have taken their advice and found a better alternative in RPCs.

With a smaller footprint, RPCs aren't forced to cover every nook and cranny, simplifying logistics and allowing them to offer lower rates across the board. Businesses can save 10% to 40% on their shipping costs when using an RPC. Although RPC's only cover 6-8% of the overall parcel market, at least one RPC offers coverage in each U.S. state. That means that wherever you are, there is most likely an RPC ready to serve you.

# Businesses can save 10% to 40% on their shipping costs when using an RPC.

RPC's smaller scale also means simpler logistics. FedEx famously has a hub in Memphis, Tennessee, that processes 47% of all FedEx volume and 69% of domestic volume each day. This means if you ship from anywhere in the world, there's a better than 50/50 chance your package will go through Memphis. So much volume passing through one site increases the potential for logiams that delay deliveries. RPCs and their much smaller footprint mean packages don't need to go halfway across the country, or around the world, to make it to their destination, leading to faster delivery and better on-time service.

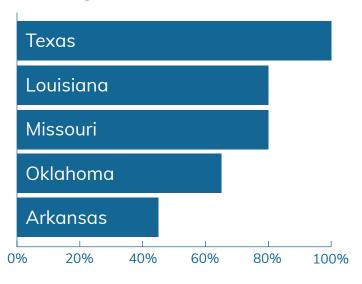
This leads to another key benefit of RPCs: Customer-centric service. When people ship, the major carriers are the default. RPCs understand this and know they must hold themselves to higher standards, offering a personal touch that can't be found elsewhere.



One of the leading RPCs is Lone Star Overnight (LSO), an overnight delivery & shipping company headquartered in Austin, Texas. With more than 30 years of reliable time-definite package delivery service, LSO provides a broad range of parcel delivery, overnight, and carrier services with a personalized Texas touch. Over the past year, LSO has stepped up while the major carriers have checked out, and in response to customer demand, LSO has expanded, now delivering to Louisiana, Arkansas, Missouri, Kansas, and Illinois. And that's all while still providing great service to Texas and Oklahoma.

LSO has a network of 27 locations with a coverage area that includes 100% of the population of Texas, ~65% in Oklahoma, ~80% in Louisiana and Missouri, and ~45% in Arkansas. LSO's reach extends into parts of Kansas, Illinois and New Mexico. LSO can deliver to ~13% of the US population consisting of ~43 million people and potential e-commerce shoppers.





Additionally, LSO has successfully completed an on-time delivery parcel reliability that is <u>consistently about 98%</u>.

Featuring an Austin-based customer service team, LSO delivers next-day Express Service by 8:30 a.m., 10:30 a.m., and 3:00 p.m., 2nd-day Express Service, and offers an E-Commerce Ground service at a lower cost and faster transit times with a flexible delivery network.



And customers have noticed. Diana Dow of CareHere says about LSO:

"A Texas-based company with Texas employees, providing stellar Texas-friendly service on a daily basis...everything gets to its destination on time or early, but...if something goes wrong, I can reach a live person almost instantly and they always stay with my problem until it's solved. Every time. With a smile."

#### Geneva Murphy of the Salvation Army says:

"I don't even have to enter a contest to validate how great LSO is! We at the San Antonio Salvation Army utilize LSO and have for years...I use the automated system for packaging slips and pick-up. Customer Service has always efficiently assisted me with any problems. Thank you for continually providing excellent service."

#### Kathy S. Cooper of McCall, Parkhurst & Horton LLP shares this story:

"...[our package] was accidentally deposited in the LSO bin shortly after the 6 p.m. deadline. We called Customer Service to see if the courier could come back, and they did! ...thank you, we are loyal customers and so appreciate your loyalty to us to get the job done...again, so grateful, and thank you for having employees that care."



#### Conclusion

RPCs do what the major carriers do, but better, and LSO does it best of all. While UPS can claim 86% on-time performance. FedEx only manages a dismal 75%. When compared to LSO consistently delivering at about 98%, neither of the Big Shippers can compete. When it comes to cost, LSO and their flexible shipping options can save businesses up to 40%. Add in truly-customizable packaging with customer service that can't be matched, and it's easy to see that LSO has a provable advantage over any worldwide corporation.

RPCs may be smaller, but as LSO is proving, when you offer Texas-sized service with a personalized approach to parcel delivery, the major carriers can't compete. With demonstrable success in Texas and Oklahoma, and now expanded into Louisiana, Arkansas, Missouri, Illinois, and Kansas, Lone Star Overnight is ready to provide its southern hospitality to even more Americans.