



## Diaz Foods and Ryder

### High Performance Partnership Delivers Exponential Growth

#### CHALLENGE

With an unprecedented growth rate of 20-30% per year and to maintain a competitive edge in its unique niche of Hispanic food products distribution, Diaz Foods realized it needed fleet management services that could keep up.

#### SOLUTION

Ryder's Full Service Lease solution takes away the worries and hassles of operating the 50+ commercial vehicle fleet that makes deliveries for Diaz Foods. From maintenance and repairs to fuel, substitute vehicles, and safety training for drivers, Ryder provides the expertise and responsiveness critical to the success of Diaz Foods' business.

#### BENEFITS

##### Cost savings

*Full Service Lease eliminates Diaz Foods' capital investment of owning its fleet, especially when it comes to rapidly depreciating trailers*

*Leveraging Ryder's fuel purchasing power gives Diaz Foods better access at competitive prices*

##### More responsiveness

*Properly maintained vehicles means fewer breakdowns, and more on-time deliveries to Diaz Foods' customers*

*Substitute vehicles in the event of an unlikely breakdown means deliveries continue uninterrupted*

##### Expertise

*State-of-the-art, fuel-efficient, safe vehicles that have been customized with features such as temperature controls, suited perfectly to Diaz Foods' distribution needs*

*Safety training for drivers*

*Much has changed since father and son team Domingo and Julio Rene Diaz opened their first grocery store in 1969 in Midtown Atlanta, Georgia. When their business grew to five stores, they recognized the need for a distribution center to serve them, along with the rest of their growing customer base who wanted the unique products they offered – so Diaz Foods was formed in 1980.*



Since then, the company has grown to become one of the largest distributors of Hispanic products in the United States, offering more than 6,000 products in 27 states. Diaz Foods now maintains close to 500,000 square feet of warehouse space along the East coast and sales offices in Florida, Tennessee, Maryland, North Carolina and Virginia. These facilities serve its family of companies, including Tortillas de Casa, Diaz Produce, and its newest acquisition, La Cena Fine Foods Ltd.

More than 400 employees comprise the Diaz Foods' team responsible for the \$200 million company's success. About 80 percent of its staff is multi-lingual, speaking languages including Spanish, Portuguese, French, German, Taiwanese and English. This diversity among employees contributes to the company's overall product knowledge and understanding of a wide-range of market needs. Hispanic Business Magazine consistently heralds Diaz Foods as one of America's "Top 500 Hispanic Owned Businesses" (ranked in the top 50) and INC. Magazine has Diaz Foods on the list of America's Inner City 100 Fastest-growing privately held companies. Growing revenue at an impressive rate of 20 to 30 percent a year, with annual sales over \$200 million, Diaz Foods prides itself

on the breadth of its product lines. About 85 percent of its products are imported from Latin America and Spain, with the remainder from China, Thailand, South Korea and India.

With every initiative, Diaz Foods comes closer to reaching its ambitious goal: To be the top distributor of Hispanic food products in the United States. Already, Diaz Foods has come to occupy a unique and enviable niche in the industry. The company serves both retail and food service outlets, providing a wide range of products, including dry groceries, fresh produce from around the world, meat, seafood and dairy. In addition to its food distribution services, Diaz Foods also offers a number of value added services, including same day shipping, inventory control, containerization, food grade facilities, and drop shipments.

### ***A Competitive Edge***

To maintain a competitive edge and grow the business means tackling challenges and taking advantage of opportunities, says Diaz Foods President and CEO Rene M. Diaz.

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*- Rene M. Diaz,  
Diaz Foods President and CEO*

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To do this, Diaz Foods selected Ryder as its transportation partner back in the mid-1980s, Diaz says.



One day, I was driving a truck that broke down in Savannah,” he remembers. “A friend told me about Ryder, so I rented a truck right then and there from them. I realized that I can’t deal with a broken truck if I want to build my business. I’m in the food distribution business, so I don’t want to have to worry about fixing a clutch on a truck in the middle of nowhere. I want to concentrate on my core – what I do best.” Today, Diaz Foods is a Full Service Lease customer, with more than 100 pieces of equipment in the company’s fleet. Diaz Foods handles approximately 3,000 orders per week across 90-100 over-the-road routes, in addition to 150 local routes – all of which Ryder supports.

Leasing its fleet from Ryder means that Diaz Foods has the most technologically advanced vehicles without having to make the capital investment it used to have to make when the company owned its fleet.

“In the beginning, we bought trailers used and would sell them after five or seven years. This was a significant, depreciating asset,” Diaz says. “We would also lose time and money in the process of maintaining

them, and have issues with customers if the units broke down and couldn’t make deliveries. We started tracking these costs and realized they were huge. With Ryder, we have better quality trucks on the road, worry-free maintenance and emergency service. Savings from making this decision are trackable every day.”

Ryder customized Diaz Foods’ fleet with specifications such as sophisticated temperature controls that ensure products are fresh on delivery. Many have a short shelf life and all must meet stringent food safety requirements, says Adriano Melluzzo, Vice President of Fleet Management at Ryder.

### *Capitalizing on Value-Added Benefits*

“The new equipment we have on a continual basis from Ryder has it all: enhanced stability and traction controls, collision warning, navigation and lane guidance systems - these things help our drivers tremendously. When a truck breaks down, Ryder brings a substitute and we are back making deliveries within two hours,” Diaz continues.

Diaz Foods also has the ability to experiment with new equipment and engine technologies, and the flexibility to integrate it into its fleet with Ryder’s program, he notes.

“Diaz’s product assortment has evolved significantly over the course of our partnership. We have leveraged industry knowledge and experience to apply best practices to their fleet and transportation so products are delivered with the highest level of quality,” Melluzzo adds.

Ryder is unique in its experience serving the needs of food and beverage companies across the U.S. throughout its more than 80-year history. Today, Ryder serves the needs of over 4,000 food and beverage customers, including the top 10 U.S. food and beverage companies as ranked by FORTUNE.\*

### *Fueling Growth*

Working with Ryder to purchase fuel also allows Diaz Foods to save a considerable amount of money.





“We go through more than 30,000 gallons of fuel a week. Companies have many options for fuel sourcing, but fuel delivery is not always predictable; limited fuel availability can cause delays and missed deliveries which are bad for business. That’s not the case with Ryder. We’re able to piggyback on Ryder’s purchasing power to buy fuel in large quantities at just the right time – that’s crucial for us,” Diaz says.

In fact, Ryder provided fuel in the midst of a crisis that could have stopped Diaz Foods from serving its clients, Diaz remembers.

“When Hurricane Katrina hit, the pipeline for fuel from Louisiana to Georgia stopped. There was no fuel. Our competitors bought retail and paid a premium for it as long as they could, but that was quickly unavailable,” Diaz says. “But Ryder took care of us. We had fuel and could make deliveries when others who owned their trucks couldn’t move them. I remember

saying to myself: “This is why we have Ryder. I am really glad they are on our side.”

Diaz Foods is confident in its ability to grow knowing that it has a transportation partner like Ryder, he adds. Diaz’s routes are continually evolving and Ryder provides the flexibility to support the company’s ever-changing footprint. For example, Ryder is working closely with Diaz Foods to determine the best equipment and service balance they will need to support its new facility in Virginia.

Like the majority of shippers in the industry, Diaz has been impacted by the driver shortage. Ryder’s state-of-the-art, fuel-efficient and safety-focused vehicle specifications make it easy for Diaz’s drivers to quickly learn the equipment and stay safe. Ryder also supports Diaz with driver training programs to help improve driver recruitment and retention.

In another initiative, to address the future needs of the food and beverage industry, Ryder has formed a Food & Beverage Customer Advisory Board, which brings together an exclusive group of thought leaders from a cross-section of the sector. Diaz, who is a prominent member, says that the way Ryder provides equipment and services to a food distribution company such as his is a model for the future.

“When you do the numbers, you can see that everything that is important to you is covered with Ryder,” he adds. “And when you know that the company is always there for you in every challenge you face, that is invaluable.”

\* Source: 2014 FORTUNE Datastore