



## **Fleet Managers... Eliminating the Excuses for Poor Results**

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As I work with fleet owners and managers I hear a lot of excuses as to why they are struggling to achieve desired results. Examples are... sales are slower than predicted, we had a huge unexpected expense, fuel expenses increased and the ever famous... corporate gave me a goal that is unrealistic and impossible.

There may even be some truth to these reasons for missing the mark but they should never be accepted. To be successful, you can never accept failure. There are so many opportunities to overcome these excuses and if your fleet managers are truly managing their business unit then they should have already made adjustments.

For example, if sales are down then fleet managers need to scale down their operation and expenses to match the current business levels. Look at asset utilization. This includes labor & equipment. For labor... Are you reducing your labor hours, cutting overtime, inserting lay-offs & reducing headcount, freezing your hiring, staggering your labor start-times and combining roles & responsibilities. For asset and equipment utilization... are you reducing your fleet size, renting instead of buying or leasing long term, freezing your unnecessary capital expenses, selling unused equipment and maximizing cost savings by using the most efficient equipment. Are you consolidating properties to eliminate rent, taxes, utilities and insurance?

If increasing fuel cost is the excuse, are you reviewing your buying options (retail, fuel cards, vendor fueling, rebates, in-ground tank)? Are you measuring your miles to make sure the business level is staying consistent with fuel purchases? Less business should equate to less miles which means less fuel expense. What are your idling hours? 1 hour of idling equals 1 gallon of diesel. What is your out-of-route percentage? How many times do drivers crisscross or backtrack each day? Are you using equipment aerodynamics to reduce drag resistance? What are your trucks governed at? Are your tractor engines over powered causing unnecessary fuel usage? What is your MPG for each unit? Are you using the best MPG units on the longer or more mile runs? Why are some units MPG below standard? Are drivers speeding above 55 MPH? Vehicles that average 65 MPH or 10 miles over the speed limit drop 1 MPG in fuel efficiency.

For maintenance, what is your maintenance cost/revenue dollar? Is it tracking with current business levels? Are you carrying too much parts inventory? Have you put your parts, tires and repairs out for bid to make sure you have the right vendors? What is your 3<sup>rd</sup> party vendor rate/hour? Are your vendors making repairs within the accepted time standard for each repair? Are your vendors repairing only what is needed or are you authorizing unnecessary repairs? If you have a large repair expense are you holding off making the repair until business picks back up and you have the added revenue to offset the cost? Are you using the most cost-efficient equipment? Are you truly managing your own mechanics and holding them accountable? Have you adjusted mechanic hours and overtime? Are you auditing vendor repair invoices to make sure there are no excessive charges or double billings?

When is the last time you measured and made improvements in your operating efficiencies? Are your policies and procedures updated or are you using old procedures because "that's the way we have always

done it”? Do you have the right KPI’s that measure efficiency? Are your delivery routes matching today’s customer needs? How many excess miles do you drive each day? Is your warehouse productivity hitting goal? Are you reducing manpower steps in your dock operation to reduce time? Does your sales team meet with your operations team to insure everyone is supporting the corporate objectives? Are you transparent with your staff to make sure they know the expectations?

As a Fleet Manager, never accept excuses for poor results. Instead, adjust your variable expenses to meet the current demand and look to cut fixed cost where applicable. Use analytics and KPI’s to guide you in your decisions.