



### **Transportation Department - Rebuild & Set-Up**

#### **Company Profile:**

\$2 Billion National Fuel & Petroleum products distributor with a private fleet. Specializing in delivering fuel petroleum products to gas stations, trucking operations, construction sites and residential household heating throughout regions of the United States.

#### **Challenge:**

Due to aggressive double digit growth along with expanding out-of-state operations, the company was in dire need of setting up a transportation department for its private fleet operations. Assignment needed to include developing and implementing policies, procedures and a standardization throughout multiple locations. Task was to re-design the transportation operations to include: dispatching, vehicle maintenance, safety & compliance, driver recruiting, transit service, operating metrics and improved EBITDA returns. Labor relations needed to improve to avoid Unionization in the Chicago market.

#### **Solution:        Implemented Shipmate Logistics Proprietary Improvement Plan**

- Rebuilt the fragmented operation by revising or implementing new business practices, policies & procedures that were tied to the transportation operation.
- Strengthened the employee talent pool by hiring quality personnel using strict criteria. Each new hire was experienced and capable of increasing workload capacity as the business grew.
- Existing managers were re-trained on the new policies and shown how to improve their time management skills.
- Inserted invoice audit controls to review maintenance and building expenses.
- Technology was inserted into the central dispatch operation to increase efficiency and reduce cost.
- Safety task forces were created using a combination of management and front line employees.
- Maintenance software was added to control parts inventory and eliminate unnecessary spending.
- Driver relations were improved through increased communications, regularly scheduled driver meetings, transparent financial information and corporate management accessibility.
- Service to the customer was prioritized and KPI's inserted to measure success.

#### **Results:**

- Improved Private Fleet Carrier OTR Truckload Division EBITDA margin 48% in the first year.
- Raised Private Fleet Net Income from \$25,101 to \$414,374 in the first year.
- Defeated the Teamsters Union vote in Chicago by a 25-4 margin by building driver relationships.
- Successfully launched new expansion locations in Illinois, Indiana and Texas.

- Reduced company driver turnover to less than 10%. Increased driver headcount in Chicago 45%.
- Increased equipment asset utilization 28%.
- Lowered YTD Repair & Maintenance real dollar expenses while growing top line sales revenue 30%.
- Purchased 25 new tractors to service the increased business growth in multiple markets.