

OUTBOUND

TRANSPORTATION NEWS & INFO: *CONNECT & SCALE*

PANDEMIC PAYBACKS

Surface transportation and logistics companies reap significant rewards from tech investments



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TRANSPORTATION NEWS & INFO: *CONNECT & SCALE*



Our Cover Story

When it comes to technology, did the global pandemic help firmly plant North American companies in the 21st Century?

Our cover article explores how digitalization strategies supported remote work, an ability to stay agile that has been a staple over the last 2.5 years. Technology allowed carriers and shippers in the transportation and logistics industry to stay solvent.

Take a closer look.

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■ H&M TRUCKING

Navigates Savings with Expert Fuel®

“H&M operates dry van and bulk hopper divisions. Managing fuel and routing for each are very different as one is typically based on truckload and the other on weight. Expert Fuel enables us to differentiate settings for each division down to a granular state-by-state level to accommodate their unique needs.”



Cyndi Meurrens
Project Solutions Manager
H&M Trucking

For H&M Trucking, integrating leading-edge technology into its TMS means improved staff and driver efficiency, better customer service and a solid return on investment. Among these transformative solutions: [Expert Fuel](#), Trimble Transportation's powerhouse application that optimizes fuel-cost data for significant savings and helps H&M carry out its corporate credo “ahead of the curve.”

“H&M operates dry van and bulk hopper divisions” explained the carrier's Project Solutions Manager Cyndi Meurrens. “Managing fuel and routing for each are very different as one is typically based on truckload and the other on weight. Expert Fuel enables us to differentiate settings for each division down to a granular state-by-state level to accommodate their unique needs.”

[Nebraska-based H&M Trucking](#) has enjoyed impressive growth throughout its 35 years of operation. Staking its regional roots in grain transport and freight brokerage, today the carrier provides full-service transportation and nationwide logistics to clients throughout the lower 48 and Canada. Meurrens

guides H&M's IT function, and software and systems analysis, which gives her insight to areas operating at capacity and those needing a performance boost.

“My goal,” she noted, “is to keep us moving forward with innovative technology to ensure efficiency, visibility, and, of course, improving the bottom line.”

Meurrens' words underscore the advantages and value Expert Fuel delivers, which include pinpointing the most cost-effective locations for fuel purchases, direct interface with rig operators through their in-cab units, driver compliance enhancement and anti-theft protection.



H&M deployed Expert Fuel in 2010, and experienced approximately \$500,000 in first-year savings; thirteen years later, H&M sees savings on fuel costs of roughly \$1.6M annually.

*At left, Executive Vice President **Dale Cook** and standing Owner **Randy Mueller** lead a meeting.*

Reduced Spend, Elevated Outcomes

Expert Fuel lets carriers negotiate volume purchasing discounts within a countrywide vendor network of trucking centers. [Especially now, with diesel costs fluctuating](#), the technology helps fleets achieve ongoing dramatic savings.

H&M deployed Expert Fuel in 2010, and experienced approximately \$500,000 in first-year savings; thirteen years later, H&M sees savings on fuel costs of roughly \$1.6M annually.

“With Expert Fuel we have been able to secure lucrative discount deals with the top travel and fuel stop companies all over the country,” said Meurrens.

“When companies hear a fleet uses a fuel optimization program, they push to compete for that business as they know the software can deliver those gallons if they price it right.”

H&M receives weekly reports that observe per gallon savings, measuring pump price against its real cost plus driver compliance with the fuel plan. Meurrens said the normal range for percentage is 10-20% of the pump price.

More challenging to measure: recent [fuel surcharge \(FSC\)](#) due to the furious price fluctuations seen throughout much of 2022. Noting that most FSC lags from one week to 30 days, Meurrens explained, “When fuel costs are static, FSC normally satisfies our profit and loss statement as margins remain stable; unfortunately, when we see surges in price, customer FSC tends to run behind, lowering those margins. As the fuel price stabilizes, FSC ‘catches up’ and our margins return to normal.”

H&M has seen considerable success in vehicle-operator compliance, with an average fulfillment of 94%, due perhaps to the company’s approach of not only educating drivers on the benefits of using Expert Fuel but also acknowledging their participation.

“We helped them to understand how Expert Fuel takes the guesswork out of the whole process—let them see the program from the back side and how it would calculate the optimal route and where to stop for fuel for the entire trip,” said Meurrens. “Drivers are able to plan for rest breaks, sleeper berth, and drive timing as soon as they receive their fuel solution for an order. H&M also decided to include Expert Fuel compliance in its driver bonus program. We fully believe that drivers helping us save on fuel by following the Expert Fuel plans should share in those rewards as well.”

Mapped for Success

H&M Trucking, a longtime user of TMW. Suite and [TMT Fleet Maintenance](#), clearly recognizes the correlation between software and successful outcomes.

“We also have Expert Fuel integrated with PC Miller web tools where we can set preferred routes and those we want to avoid,” said Meurrens. “This makes it easy to assist our drivers with navigation and get the most from the fuel and routing plans. With automation and fuel savings, Expert Fuel has been an integral piece for H&M to remain competitive in the industry for both customers and drivers.” ★



H&M's furry friend Gilley prepares to roll.

AB5

California's Fault Line



“

This is the American dream in our industry, and it's that person that decides to go out and buy one truck and start their own business, and it certainly puts a damper on that opportunity.”

David Heller

*Senior Vice-President
Truckload Carriers Association*

The US Supreme Court's June 30 decision against accepting challenges to California's [Assembly Bill \(AB\) 5](#), has added another obstacle to the two-year battle between the state's approximately 70,000 independent rig operators and the American judiciary.

The bill is a controversial bit of legislation that theoretically offers greater protection from labor abuse to self-employed truckers, but in practice imposes stringent, ambiguously worded standards that dispute the “independent” classification of drivers who have for generations been their own bosses. AB5 passed in 2019, but was stalled as it traversed the legal system; with this summer's decision, the bill has been returned to the lower court.

Consider the Numbers

California's contribution to the trucking industry, both intrastate and outside its borders, is tremendous. This 2021 [study](#) that reviewed Southern California's role in goods transport noted the [region](#) shipped more than 223 million tons of freight within the state, with shipments to the rest of the country accounting for 447 million tons. And, said the most recent [US Census](#) available, California truckers shipped a total weight of 580.6 million tons in 2017 (second only to Texas, which transported nearly 1.3 billion tons of goods).

This poses the question: does AB5 create an unworkable dynamic that holds California truckers to a regulation not found in other states? Drivers unable to operate interstate may relocate or shut down; business owners, fearful of not complying with the law, will seek other means of transporting cargo. And the result: seemingly unstoppable inflation and more uncertainty for America's already-struggling supply change.

In a July post, David Heller, Truckload Carriers Association senior vice president of safety and government affairs, addressed these concerns.

“Do they . . . say, ‘You know, maybe it's time I get out?’” Heller said. “And if that becomes a problem, that makes the supply chain crisis even worse today than it was yesterday. This is the American dream in our industry, and it's that person that decides to go out and buy one truck and start their own business, and it certainly puts a damper on that opportunity.”

“We are disappointed the Court does not recognize the irrevocable damage eliminating independent truckers will have on interstate commerce and communities across the state. The Legislature and Newsom Administration must immediately take action to avoid worsening the supply chain crisis and inflation.”

California Trucking Association (CTA)

Swift Reaction

Except for a small number of labor-based [organizations](#) that favor AB5, reaction has remained negative, with trucking advocacy groups freely sharing their displeasure. The [California Trucking Association](#) (CTA), which, in 2019 filed suit against AB5, because the bill would create economic hardship and impede the autonomy of independent drivers, said of the court's decision:

“We are disappointed the Court does not recognize the irrevocable damage eliminating independent truckers will have on interstate commerce and communities across the state. The Legislature and Newsom Administration must immediately take action to avoid worsening the supply chain crisis and inflation.”

CTA joined 70+ [trade organizations](#), among them the American Trucking Associations, Harbor Trucking Association, and California Chamber of Commerce that wrote to Governor Gavin Newsom, requesting AB5 be paused by executive order, and “negotiate a path forward to preserve small business trucking in the state of California and prevent further disruptions to the supply chain.”

Unwilling to remain silent were thousands of California independent truckers who spoke out from behind the wheel with protests that dominated major vehicle corridors, particularly those leading to the state's waterfront trade centers (more than [40%](#) of inbound container cargo passes through California's ports; blockades can have a profound financial impact).

Targeted were Northern California's Port of Oakland, and Southern California's 110 and 710 freeways and Vincent Thomas Bridge, all essential routes to Terminal Island, which services the [LA Port Complex](#), the busiest port in the US.

OOIDA Weighs In

Also seeking solutions for California's truckers is the Owner-Operator Independent Drivers Association, Inc. ([OOIDA](#)), a 150,000+ member-strong international trade organization.

Following the Supreme Court's ruling, OOIDA president and CEO [Todd Spencer](#) penned a powerfully worded three-page [missive](#) to California Governor Gavin Newsom detailing the damage to livelihoods that AB5 will wreak, for individuals and on a global scale. Wrote Spencer:

“While enforcement of AB5 will create disruptions and challenges for the supply chain and economy in California and across the country, small-business truckers face the most immediate uncertainty and potential harm. Our members who live in the state, as well as tens of thousands of truckers who travel through it, are now wondering if they can continue working in the same arrangements they have for years—arrangements that benefit their operations. For some, this means they don't know whether they will be able to make their next truck or mortgage payment. California must prioritize these drivers' perspectives as it considers its way forward.”

In a recent episode of [HDT Talks Trucking](#), DAT Freight and Analytics Principal Industry Analyst Dean Croke summed up the ripple effect: “. . . the impact will be far wider than most people think,” he said, adding, “Once you cross the border you are subject to California law. You have to front-load your inbound rate into California to factor the outbound deadhead—to where?” ★

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