

TEXAS TRUCKING COMPANIES EXPECT SALES GROWTH, REDUCED EXPENDITURES IN 2013

Report also shows growing companies invest differently in driver recruitment and retention

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Guest Writer

Texas-based trucking companies are seeing faster sales growth in 2013 but generally plan to be more conservative in business expenditures this year, according to the 2012 Texas Trucking Industry Study. The plans for reduced spending held true across all company sizes.

However, where expenditures are being made, growing companies showed marked differences in seven key ways in terms of how they recruit and retain good truck drivers.

The 2012 Texas Trucking Industry Study was commissioned by The Texas Trucking Alliance (TTA), which includes TMTA and the TMTA Foundation. The annual study was designed to help identify best practices in hiring, retention, benefits, and safety management in the Lone Star State's truck transportation industry.

The study offers unique insight because it is based on responses from only trucking companies that have their headquarters in Texas.

Continued Plans for 2013

To accurately assess trucking companies' plans, San Antonio-based Galloway Research Service was hired to conduct a representative telephone survey of trucking company owners, CEOs and senior executives at Texas-based trucking companies in all sizes, specialties and geographic regions. Each company had to be headquartered in Texas to be included in the results. A large company was defined as any company with

11 or more drivers.

The data showed the following trends in 2013 expenditure plans among Texas trucking companies:

- Both large and small Texas-based trucking companies were more optimistic about sales expectations than for the previous 12-month period;
- One third of companies expected to hire more truck drivers;
- 80% of companies expected to invest in safety training and personnel (up from 37%); and
- Trucking companies said they were less likely to add or replace trucks, with more large companies stating they would hold off on vehicle expenditures than smaller companies.

Overall, "this is a positive forecast for the Texas trucking industry" said John D. Esparza, TMTA president and CEO. "The development that these numbers reflect speaks directly to the vitality and essentiality of the industry and point to the many opportunities within trucking for growth and jobs."

Driver Recruitment and Retention

The study also showed Texas trucking companies that expect to grow were unique in how they approach recruitment and retention of good drivers. According to the new study, companies that expect to grow are more likely than companies expecting declining sales to:

- Provide drivers guaranteed "at home" time (56% growing vs. 35% declining)
- Provide drivers paid vacation/sick time/



- leave (49% vs. 29%)
- Offer drivers health care insurance (29% v. 14%) and retirement plans (17% vs. 1%),
- Pay drivers bonuses for longevity (33% vs. 17%) and safe driving records (39% vs. 20%),
- Provide electronic onboard recorders that eliminate the need for drivers to keep paper mileage logs (24% vs. 9%),
- Provide driver safety training (69% vs. 47%), and
- Pay referral bonuses (23% vs. 10%).

The findings are significant because the recovering economy and natural gas drilling recently helped push driver turnover back above 100 percent annually in some trucking sectors, according to industry officials.

Continues

Truckload carriers with more than \$30 million in revenue saw 106 percent average annual driver turnover by the middle of last year, the most recent numbers available, according to the American Trucking Associations (ATA). That was the highest turnover rate since the fourth quarter of 2007. Turnover at smaller truckload carriers rose to an average 86 percent annually, its highest level since the third quarter of 2007.

Managing the turnover rate is being exacerbated by rising shortfall of drivers.

ATA also recently announced that, although private fleets and less-than-truckload carriers are having some difficulty hiring drivers, the bulk of the driver shortage is in the long-haul, over-the-road truckload carriers. Currently companies are seeking 20,000 to 25,000 drivers in the for-hire truckload market.

The need for better recruitment and retention techniques will only be enhanced, based on comments by industry officials and carriers. Trucking companies will continue to face recruitment pressures due to industry

growth, retirements, and career changes.

"The Texas trucking industry is faced with an ever-increasing driver shortage challenge," Esparza said. "Through this intuitive study we are equipping our members with pertinent information to prepare for these situations and giving them tools to make educated decisions about their businesses reflective of the current economy."

The Texas Trucking Alliance

The Texas Trucking Alliance is a collaboration between TMTA, the TMTA Foundation and three companies that have made a commitment to strengthening the Texas trucking industry: The Bassett Firm (Dallas), Business Financial Group (San Antonio), and SelecTransportation Resources (Houston). The alliance was created to promote best practices in the Texas trucking industry by producing distinct industry research, benchmarking performance and educating industry executives and the public on trucking trends.



Texas Trucking Alliance

Promoting Best Practices for the Texas Trucking Industry

Its Texas Trucking Industry Study surveyed 266 respondents among the more than 15,000 Texas-based trucking companies in the NAICS 484 category in Dun & Bradstreet's database. The research results were weighted to match the proportions of large and small companies and their geographic distributions across the state, and have a plus or minus five percent margin of error at the 90 percent confidence level.

TTA is providing a full copy of the study at www.tmta.com. The alliance can be reached at TexasTruckingAlliance@bfgonline.com or 210/495-8474 ext. 203.


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