Tim Berra, CEO, Heidtman Steel

Keep on Truckin’

Of all the challenges in operating a successful steel service center these days, there may not be one any more arduous than managing freight requirements. Anyone familiar with lean concepts realizes there is always going to be a bottleneck in the value stream. Ideally those bottlenecks move downstream in the manageable confines of one’s own facilities. This is not exactly the case with today’s trucking environment.

Part of the many values a steel service center offers its customers is managing the logistics of both receiving and shipping steel. Identifying the most reliable and affordable means of shipping steel is extremely challenging today. In fact, most industry consultants would tell you that the loads to driver availability ratio for flatbeds is over 100:1, and that ratio continues to worsen. Tightening truck and driver availability and the increasing freight costs is a growing industry concern that is not expected to turn around in this economic environment.

Fortunately, we began preparing for this new logistics environment well over a year ago. It was well published that ELD (Electronic Logging Devices) would be fully implemented by early this year, and that it was going to present several challenges. ELD implementation has had a substantial effect on a driver’s ability to maximize their daily earnings, and thus has affected freight costs and driver availability. There are several other industry factors that contribute to the driver shortage, but none more impactful than the ELDs.

To best manage the expected changes in the trucking industry without distracting us from our focus on our core business, in 2016 we formed a joint venture trucking company with

P&S Transportation, our freight partner, to serve our customers’ needs. In addition, we contracted with their 3PL (Sellers 3PL) to manage our freight requirements. Having a logistics expert company as a partner has helped us immensely in managing through this challenging freight market. In addition, we work continuously to improve a driver’s experience when they visit our facilities. Starting with reducing our turnaround time getting trucks loaded and back on the road and updating our amenities for drivers while they are at our facilities. Furthermore, we do our best to inform and educate our customers about the importance of being conscientious of the driver’s time limitations and requirements, so that they too can provide an inviting and efficient environment that truck drivers prefer to deliver to.

There are many positives affecting business these days. We have a strong economy, companies are reinvesting in their businesses right here in the USA and everyone seems extremely optimistic about the future. Along with such positives, though, comes the challenges of managing logistics and it is as important as anything when it comes to being successful. We feel that it is imperative that suppliers and customers recognize the realities of the trucking industry, develop partnerships with trucking companies and be a part of providing effective solutions that will benefit everyone.

Here at Heidtman Steel, it is our goal to be, “loaded up and truckin’” faster than anyone in the industry.

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