

TIME IS MONEY

(Even at Loading Docks)

Carriers are avoiding certain grocery distributors and retailers because of lengthy dwell times. *by Caitlin Orosz*

CPG products already have a long and complex journey from their point of origin to the final point of sale. Now, that journey has become even more difficult. Due to lengthy wait times at locations like Kroger, C&S Wholesale and Walmart, many drivers refuse to carry consumer products to those sites.

Since the advent of the Electronic Logging Device (ELD) mandate in 2017, 77 percent of carriers say they're more selective in the shippers/receivers they go to. Likewise, 80 percent say there are facilities that they absolutely won't load out of due to lengthy wait times.

Shipping capacity is arguably the tightest for CPG manufacturers. "The pool of willing drivers is smaller, and they can charge more as a result," says Andrew Lynch, President and Co-founder of Zipline Logistics. Equally important, he continues, is data transparency. "If a manufacturer can gain visibility into how specific receiver

behaviors are affecting their logistics costs, their ability to control or gain reimbursement for those cost changes is significantly enhanced."

BACKGROUND ON ELD MANDATE

The ELD mandate went into effect in December 2017. Under the law, all trucks must use ELDs to track their hours-of-service (HOS), location and speed. According to the HOS rule, drivers can be on duty for 14 hours a day (this includes fuel stops, food breaks and wait times at loading docks). Drivers cannot drive more than 11 hours, which includes a break, so active drive time is actually 10 hours. The HOS tracking on the ELD means that drivers don't want to waste those hours waiting for their truck to be unloaded.

PROBLEM

In the 2018 ELD Update Report from Zipline Logistics, drivers cite a major disconnect between shippers/receivers and the ELD mandate; many voiced

a suspicion that some manufacturers don't understand (or don't care about) the effects of the regulation.

The report highlights grocery retailers and distribution centers for their significant wait times. Lynch explains, "If a driver sits for four hours after he's driven for six hours, then he has to shut down and wait until tomorrow to pick up his next load." One driver, a survey respondent, commented, "Locations that are known to have little to no regard for a drivers [hours of service] are no longer serviceable." Another respondent echoed this sentiment: "Anyone that can't unload or load on-time, why go to them and waste hours? Time is money."

Lynch confirms that these frustrations are certainly justified. "No one likes to waste time -- particularly when their ability to earn is decreased as a result. Drivers are paid by the mile not the hour. In a tight trucking market, carriers have numerous options at their disposal and aren't required to take on grocery and retail deliveries."



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—ANDREW LYNCH, PRESIDENT & CO-FOUNDER / ZIPLINE LOGISTICS



80%

of carriers won't load out of facilities with reputations for lengthy load/unload times

Since many CPG brands are working with co-packers and rented warehouse space, their ability to control wait times is limited. Lynch suggests working with partners who understand both drivers and the market. “Work with a logistics partner that can provide you actionable data on these issues,” he exhorts. “If your receiver behaviors are costing you money, you can’t do anything about it if you aren’t measuring the impact.”

RESOLVE

To remove this gridlock, manufacturers should be aware of driver's issues and actively work to ensure delays don't happen at their facilities. “Our report highlighted issues at grocery DCs, but truckers have been known to wait just as long when picking up orders from a manufacturer,” says Lynch. If you can become a “shipper of choice,” you'll be able to both secure more shipping capacity and eliminate dwell time charges that would otherwise be passed to you by carriers. 🔥

CHALLENGES WITH GROCERY SHIPPERS & RECEIVERS:

- Preference to receive product in off-hours
- High freight volume
- Division of product
- Strict delivery dates and appointment times
- Little flexibility to work drivers in if they are late (regardless of reason)
- Pricey fees to unload product or demand that drivers unload product