

# Kottke Trucking, Inc

Growth of Company Fleet

# 2016 Goal

- Grow the company fleet
  - Fall of 2015 set a decade goal of 300
- Starting buying trucks
- Found company to buy.....cheap!
  - Or so we thought.

# More about the goal

- Strength – Manage Expenses
- Scalable and more savings
  - From 25 to 300
- Into market with consistency of rate and drive equipment utilization
- Large enough to stay relevant

# How?

- CPA firm change
- Introduction
- Obvious issues
  - Can we cut enough expense
  - Can we add any revenue angles
  - Is there cross fleet gains
- How do we win?

# What happened

- Introduced in March, Closed July 29
- Only bought 1 of 2 terminals
- Only kept 2 core customers
- Kept 2 other small accounts
- Identified all bad freight and fired
  - More to be done
- Streamlined his operations of 14 people to 5

# Loops

- Shortened loops
  - Driver desire
  - Predictable revenue enhancement
- Sold new accounts
  - Some LT
  - Some Seasonal
- Have capacity on a market swing

# Losses

- Vintage fleet was very new, bought some older and some with issues
- Maintenance cost up, short term
- Revenue lags while building base
- 4 of 58 drivers
- Operations is much more complex

# Gains

- Growth of fleet to 112 company trucks
- Positioned to gain significant gross margin if market swings pro-trucking
- Allowed us to spread out our overhead
- Allowed us to be multi-regional



# In numbers

- Gross/Employee Rolling 12
  - Aug 2016 = 181
  - Jan 2017 = 283
- Revenue/Company Driver Rolling 12
  - Aug 2016 = 3022
  - Jan 2017 = 3255
- Miles per Company Driver Rolling 12
  - Aug 2016 = 1950
  - Jan 2017 = 2216

# In numbers, cont.

- Gross per non employee = CF = Rolling 12
  - Aug 2016 = 1173
  - Jan 2017 = 2317
- Total Op Ex/Mile
  - Aug 2016 = 1.552
  - Jan 2017 = 1.430
- CF OP Ration
  - Aug 2016 = 97.81
  - Jan 2017 = 94.82

# Kottke Best Idea

Identify a strength and do more of it.