When it comes to growing your business, it not only helps to think big but to partner with companies that know how to help you get big. “Ryder manages 300 to 500 trucks for some of its clients,” says Heather Draper, director of The Ice Cream Club. “We have eight. But when we have any kind of need they make us feel like we’re their number-one customer at that moment.”

Purveyors of more than 175 unique flavors of ice cream, frozen yogurt, and other cold treats, The Ice Cream Club began as a single storefront in 1982. The Florida-based company now produces one million gallons of their award-winning product for more than 500 ice cream shops, restaurants, and other clients across the southeast U.S. and Caribbean Islands. Their meticulous attention to making ice cream accounts for this growing demand—but reaching their expanding customer base would be impossible without their close relationship with Ryder.

Avoiding a Meltdown

The logistics of moving ice cream products across the country are complicated. “Many of our routes are overnight or longer,” says Rich Draper, CEO of The Ice Cream Club. “So we require mechanical refrigeration, not just cold packs. Ice cream has its own setup; you can’t just show up with a refrigerator truck or a box truck. It has to be a dedicated, low-temp ice cream truck.”

Thanks to Ryder, The Ice Cream Club has quick and easy access to the vehicles they need. “We can very easily reach out to Ryder, tell them we need a truck, and say that it needs to be minus twenty degrees,” says Draper. “We know that the truck will be at our office the following morning.”

Ryder’s access to specialized vehicles was a huge selling point for The Ice Cream Club—as was Ryder’s highly responsive maintenance infrastructure. “We have a lot of inventory on our trucks—$20,000 to $30,000 worth of invoiced ice cream going on these two- or three-day routes up throughout the Southeast U.S.,” says Draper. “We needed assurance that we’d have breakdown assistance. Having the Ryder network out there makes a big difference—not only for saving the immediate product, but saving the route.”
Excellence in Customer Service

Ryder’s vast and flexible network of resources makes it easier for The Ice Cream Club to go the extra mile for their customers. “One of our trucks was in Alabama making a delivery to one of our best customers—someone who has been with us for twenty years,” says Draper. “And the power went down in the entire town. Our driver took everything from that customer’s freezer and put it in his truck. He gave up a day of his route waiting for the city to get the power back up—all to accommodate that customer.” This extra effort meant a lot of communication and flexibility in order to compensate for having a truck delayed in Alabama for an entire day, but it was a demand that Ryder was able to skillfully manage thanks to its geographic footprint and its responsiveness.

A Network That Works

Mike Steetle of Ryder has worked with dairies and creameries before but says The Ice Cream Club is unique, requiring his team to make special accommodations. “We’ve enhanced our service capabilities for them because there’s such a sense of urgency and sensitivity to the product—to the integrity of it,” says Steetle. “They send their guys on missions—out for two, three, and four days with the same truck, distributing product as far up out of Florida as the Carolinas. We don’t want a situation where it turns into milkshakes.”

Ryder’s robust network of vehicles, partners, and maintenance facilities has been another huge benefit to The Ice Cream Club. “Other companies claim to have a network, but it’s clear that Ryder has the best one,” says Rich Draper. “They have relationships with other vendors that come into play—Carrier, for example, or Thermo King. If they need to, they can reach out to these partners to get things done that no one else can.”

The Road Ahead

From operating its own single storefront to becoming a supplier to hundreds of storefronts, businesses, and consumers, The Ice Cream Club is a success story built around on-time and on-temperature delivery. “We’ve been at this for 33 years now, and we’re still growing,” says Rich Draper. “And it’s nice to know that as we continue to grow, we’ll be able to grow with Ryder and utilize even more of their services.”

“After all,” he says, “we can have the best product in the world, but if we can’t get it to people in a timely manner, what’s the point?”
Operating a fleet of trucks requires a huge investment of time and resources. Trucks and trailers must be procured and maintained, and an expert staff of qualified drivers, mechanics, and administrators must be managed. Regulatory changes must be monitored to ensure compliance with vehicle standards and driver behaviors. And companies must be prepared to handle breakdowns, staffing emergencies, and fluctuations in fuel prices.

Then there’s the technology. “If you’re a large enough company, you can have systems that track everything from driver compliance and certifications to booking, routing, and tracking,” says George Carl Pezold, executive director of the Transportation & Logistics Council. “But smaller carriers, with very few exceptions, can’t afford to have that expertise in-house.” While there is technology available to help with many aspects of fleet management, and some of it relatively inexpensive, the expertise needed to properly implement these tools—as well as keep an eye on ever-changing regulatory standards—comes at a premium.

**The Outsourcing Trend**
For business owners, the alternative to owning your own trucks is fleet outsourcing, an option that more and more businesses are choosing. “Outsourcing is a way to improve your management perspective,” says Pezold. “If you’re in the business of making electronics or housewares, that’s where your focus should be. You’re thinking about sales and marketing. Transportation costs are figured into your margins, but you’re rarely seeing or thinking about those numbers. It’s easier to let someone else worry about it—especially if they can do it cheaper and better.”

Perhaps surprisingly, large companies are actually leading the outsourcing charge; a study by Fleet Financials found that companies with 1,000 or more vehicles are more likely to outsource their fleet management tasks than their smaller counterparts—perhaps because smaller companies mistakenly think that they need to reach a certain critical mass before outsourcing becomes a viable option.

The total cost of operating a fleet is more than even large businesses want to manage. And those costs often exceed what companies know about, because many of the costs of maintaining a fleet are not apparent. These hidden costs can be broken out into three significant categories:

**COSTS OF FLEET PROCUREMENT.** Most businesses factor in the costs of fleet procurement—including the fees associated with financing, interest, taxes, and licensing. These can be significant, particularly if the necessary vehicles are specialized, (for example, include refrigerated trailers or customized storage).

But many fleet operators neglect to consider the eventual fees necessary for disposal and salvage of their vehicles, as well as the immediate depreciation in the value of their fleet. Compounding these losses is the inability to invest fleet costs.
elsewhere. With purchasing power tied to fleet assets, many businesses find themselves unable to invest in tools and talent more directly tied to their mission.

• **COSTS OF FLEET MAINTENANCE.** Fleet operators account for fuel expenses and basic maintenance—basic parts and labor and rental or replacement vehicles to cover routes during routine maintenance. Many businesses also invest in asset-management systems to track vehicle maintenance. But few are able to accurately account for the costs involved in breakdowns—including roadside service and the losses involved in customer service failures resulting from route downtime. As fleets age, too, it becomes more and more expensive and difficult to keep them roadworthy and compliant with current vehicle standards. In fact, according to a recent study, it costs 85 percent more to maintain a five-year-old truck than its brand new counterpart, and these costs become considerable when multiplied across an entire fleet.

• **COSTS OF ADMINISTRATION**

Recruitment of drivers is also becoming more and more problematic. The American Trucking Associations (ATA) reports a growing shortage of qualified drivers. In fact, the current shortfall of 35,000 drivers is expected to grow to more than 200,000 in the next five years. This means a perpetual effort on the part of a company’s HR staff to secure, train, and retain reliable transportation staff. And hiring independent contractors is becoming problematic as many states are pressuring companies to shift contractors into employee roles, shifting the expense of benefits and liabilities to fleet operators. “The result,” says Pezold, “is increasing costs, paperwork, and administrative burdens. It’s a trend that is continuing to grow. I don’t see it getting any better.”

Paying drivers, fuel and highway tax reporting, adhering to safety requirements, ensuring driver compliance, licensure, permits, certification, maintenance—it’s a lot to handle—even while attempting to manage costs. There are consultants and transportation attorneys available to help set up compliance files and lease contracts—but these services come at a cost. “Mom-and-Pop transportation companies are a dying breed,” says Pezold. “Increased regulations, safety requirements, and so on are making it too difficult.”

**Mix and Match**

The ability of fleet management companies to secure fuel, vehicles, parts, and equipment at volume discounts, as well as their expertise in managing logistics surrounding drivers and regulations, helps them keep their operating costs low—and pass those savings on to their customers. While outsourcing transportation might not be a viable solution for every company with goods to deliver, businesses of every size are recognizing and reaping the benefits of letting experts manage their fleets. Even outsourcing portions of fleet management—whether titling and registration services or routine maintenance—can result in significant savings in money, time, and trouble. This lets business owners spend less time on transportation issues, allowing them to focus more time and energy on their products, sales, and customers. In other words, by letting the experts—in transportation and outside of it—focus on what they do best, everybody wins.

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**Additional Reading**

Want to find out more about trends in outsourcing? Here are some places to learn more about the costs and complexities of fleet management.

**THE TRANSPORTATION AND LOGISTICS COUNCIL**

This not-for-profit corporation serves the interests of the shipping community through education, as well as expert representation in legal matters. Their site offers links to seminars and publications on topics related to virtually all things transportation related.

**THE IMPACT OF A NEWER FLEET: THE EFFECT OF NEW VS. OLD TRUCKS ON MAINTENANCE COSTS AND FUEL ECONOMY**

This white paper by The Keystone Group offers a detailed look at the costs associated with aging fleets and how best to balance procurement costs with maintenance expenses.

**GETTING TO THE BOTTOM OF THE BOTTOM LINE: DEMYSTIFYING THE TOTAL COSTS OF FLEET OWNERSHIP**

This white paper from Ryder presents a realistic and comprehensive view of fleet ownership, including issues surrounding procurement, maintenance, and disposal.