



IN-DEPTH RESEARCH REPORT

TRANSPORTATION PAIN POINTS 2023:

NAVIGATING THE ROAD AHEAD



J. J. Keller®

COMPLIANCE
NETWORK

INTRODUCTION

As it emerges from a global pandemic, the transportation industry continues to grapple with a series of formidable challenges. Supply-chain disruptions, labor shortages, economic uncertainty, and increased government scrutiny have converged to create a complex and demanding landscape for trucking and busing companies alike.

These challenges and more are reflected in the J.J. Keller Center for Market Insights' third annual survey of fleet-management professionals. Conducted in February 2023, the Transportation Pain Points survey explored the most demanding aspects of fleet management today, from safety and compliance to driver recruiting and training, vehicle technology and maintenance, records management, and more.

The survey asked fleet managers what they think are the **most important ingredients** for success across a variety of categories, including driver knowledge and skills, driver training, compliance, safety, vehicle technology and maintenance, and company expenses.

In terms of the **toughest challenges** fleet managers face, some common themes emerged.

This report will dive into those and related hurdles that fleet managers tackle every day and offer solutions to some of their most difficult challenges.





FINDINGS

SURVEY RESPONDENTS SAID THEY'RE FACING THREE SIGNIFICANT CHALLENGES OR "PAIN POINTS" REGARDING TRANSPORTATION:

1. DRIVER HIRING AND RETENTION

2. KEEPING UP WITH COMPLIANCE

3. VEHICLE REPAIR AND MAINTENANCE

In terms of running a successful fleet, respondents find these issues to be the most important:

- ▶ Drivers applying their training so they can keep themselves and others safe;
- ▶ Staying current on regulations;
- ▶ Having compliant, organized, and accessible files;
- ▶ Making safety a priority across the organization;
- ▶ Ensuring drivers accept and properly use new technology; and
- ▶ Staying on top of vehicle inspections and preventative maintenance.

WHO DID WE ASK?

The survey was conducted from
FEBRUARY 7TH
through
FEBRUARY 14TH, 2023.

308 PARTICIPANTS
started the survey.

240 (78%)
of those participants
COMPLETED THE FULL SURVEY.

85% of respondents reported that their organization has **AT LEAST 1 CMV**, and **67%** have **less than 25 CMVs**.

25% of respondents are safety, compliance, and/or driver training professionals.

Participants represented both
FOR-HIRE (30%) and
PRIVATE (59%) fleets.

WHAT'S MOST IMPORTANT?

Respondents were asked a series of questions about what they view as the most important aspects of running a safe, compliant, and efficient fleet, across a variety of subjects.

DRIVER KNOWLEDGE & SKILLS

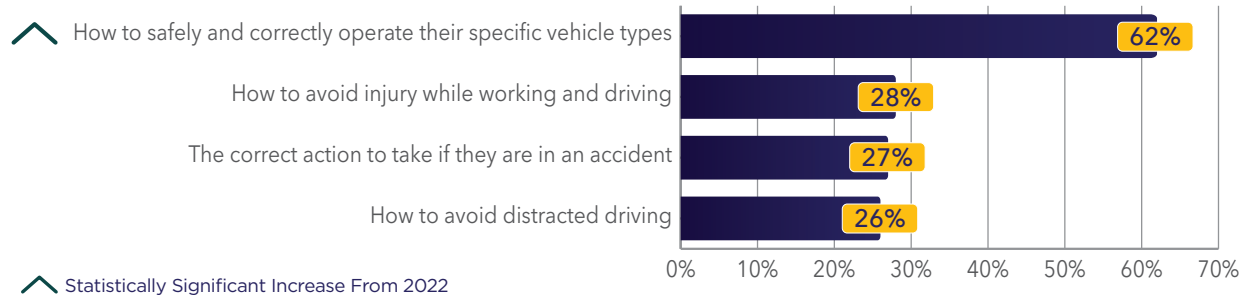
In the age of “nuclear” verdicts and rising costs, fleet managers know that safety comes first, so it’s no surprise that most respondents (62%) said the most important skill for a driver is knowing how to drive their vehicle safely, followed by:

- ▶ Avoiding injuries (28%),
- ▶ Responding properly after a crash (27%), and
- ▶ Avoiding distractions behind the wheel (26%).

Entry-level driver training rules implemented in 2022 should help new drivers learn their trade, but motor carriers must have their own training programs in place to help ensure drivers stay safe behind — and away from — the wheel.

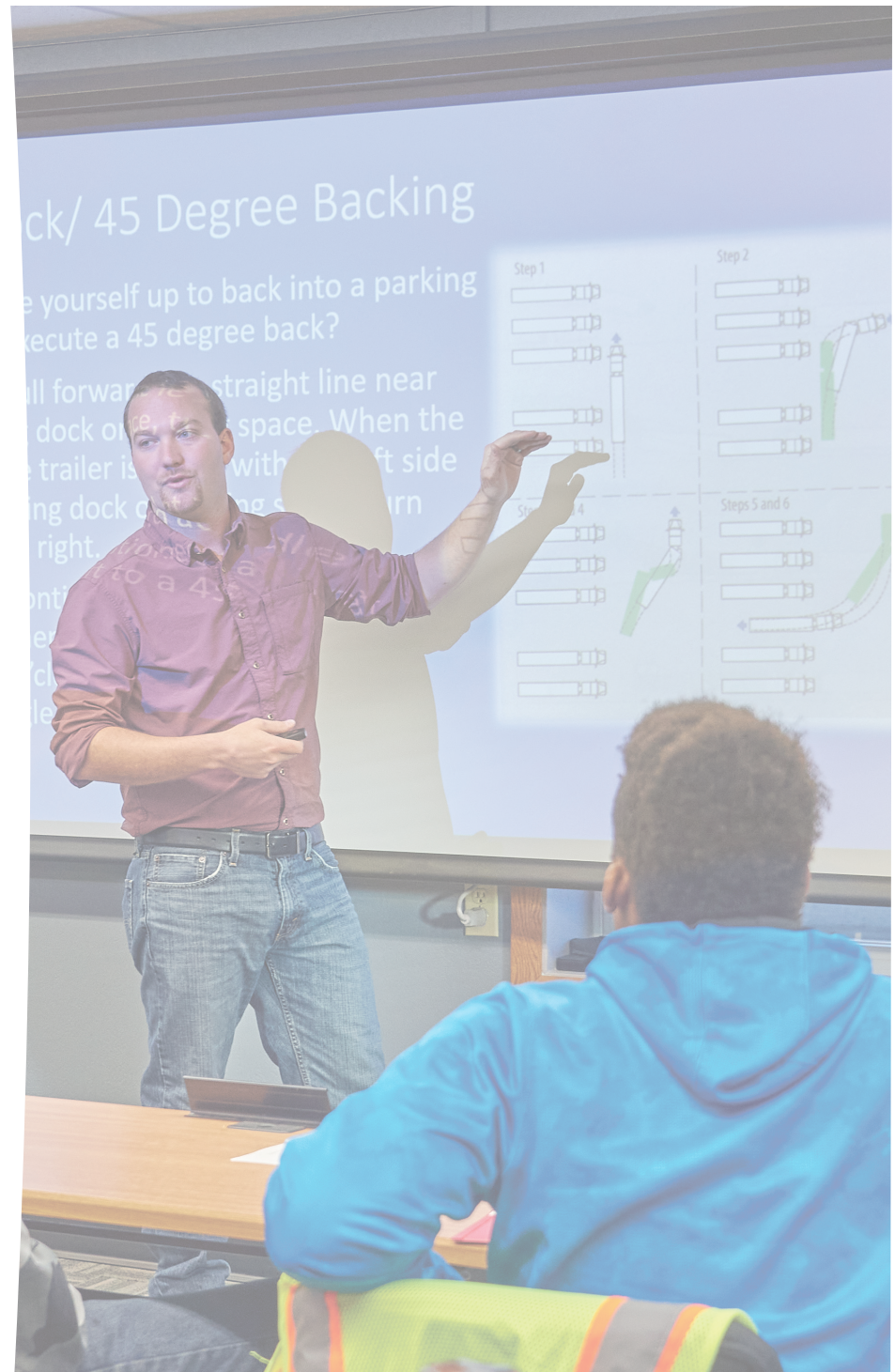
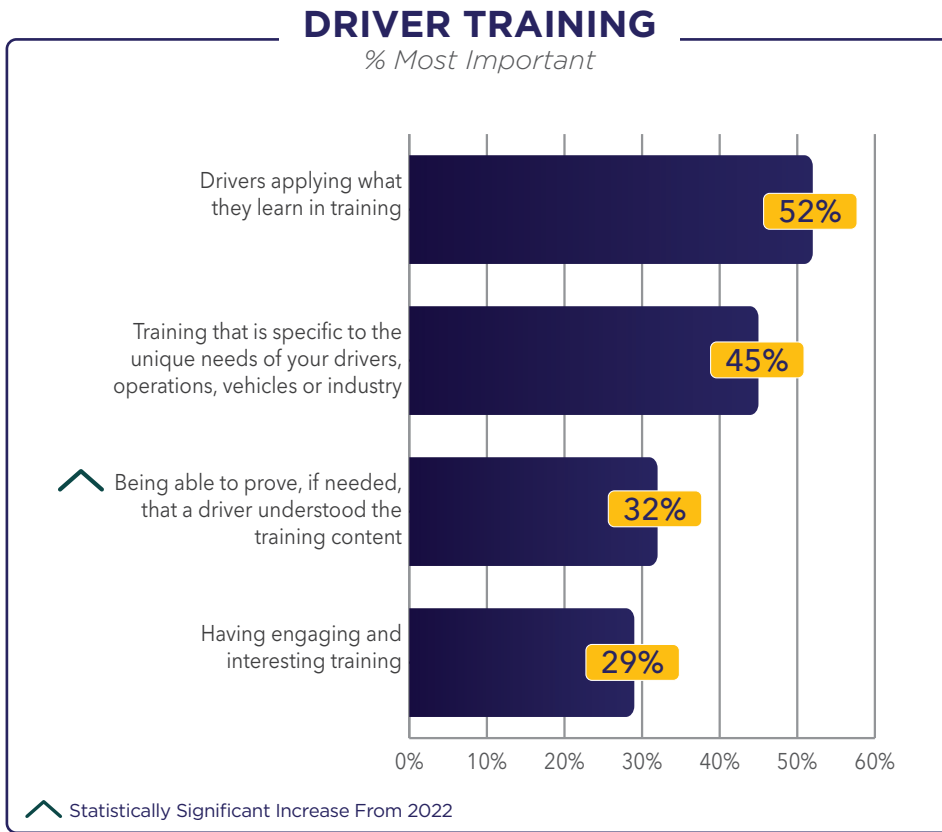
DRIVER KNOWLEDGE & SKILL

% Most Important



DRIVER TRAINING

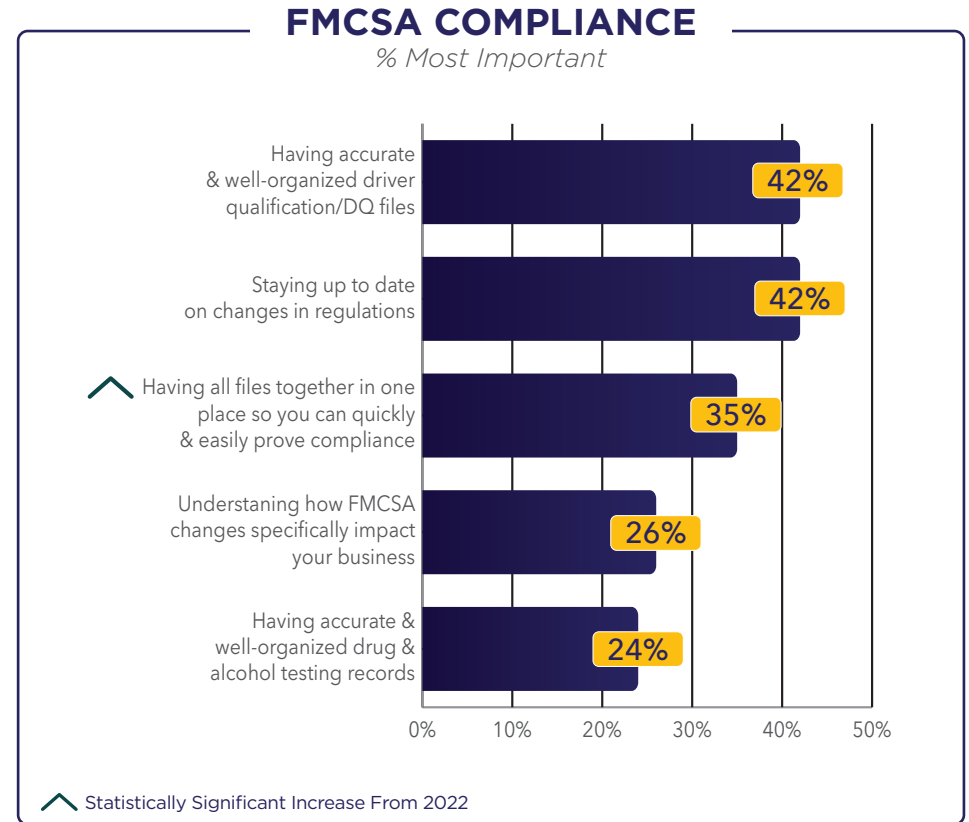
When it comes to driver training, the contents and impact of the training are key. Respondents indicated that it is most important for drivers to understand the training (32%) and apply it to their jobs (52%). To achieve that, the training must be engaging (29%) and relate to the company's unique operations (45%).





FMCSA COMPLIANCE

Driver qualification (DQ) files are a perennial “pain point” for fleet managers, and their importance is reflected in the survey. Having accurate and well-organized DQ files and staying up to date on regulation changes were viewed as the most important aspects of FMCSA compliance by more than 4 in 10 respondents (only slightly changed from 2022).



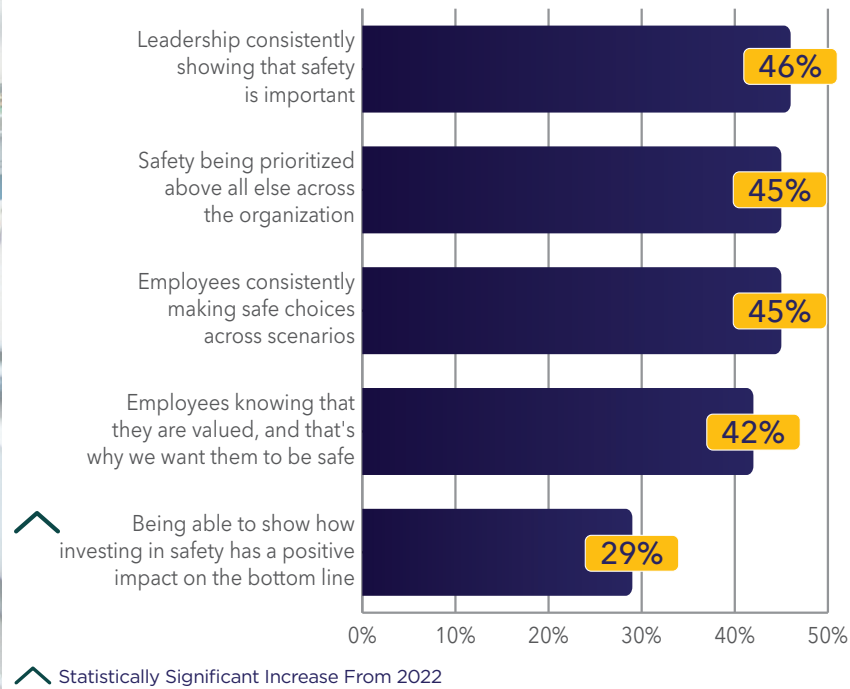
Respondents also stressed the need to have all compliance files organized and ready for auditing, which is smart given the recent rise in DOT audits. And with recent changes in recordkeeping requirements, knowing the current regulations goes hand-in-hand with proper records management.

OVERALL SAFETY

“Safety first” is more than just a saying for this year’s respondents, with nearly half saying it’s most important for safety to be prioritized “about all else” at the company, and for leadership and employees alike to buy into a “safety first” mentality.

OVERALL SAFETY

% Most Important



With an uncertain economy, it’s no surprise that being able to show a return on investment in safety has grown in importance (selected by 29% of respondents, up from 12% in 2022).



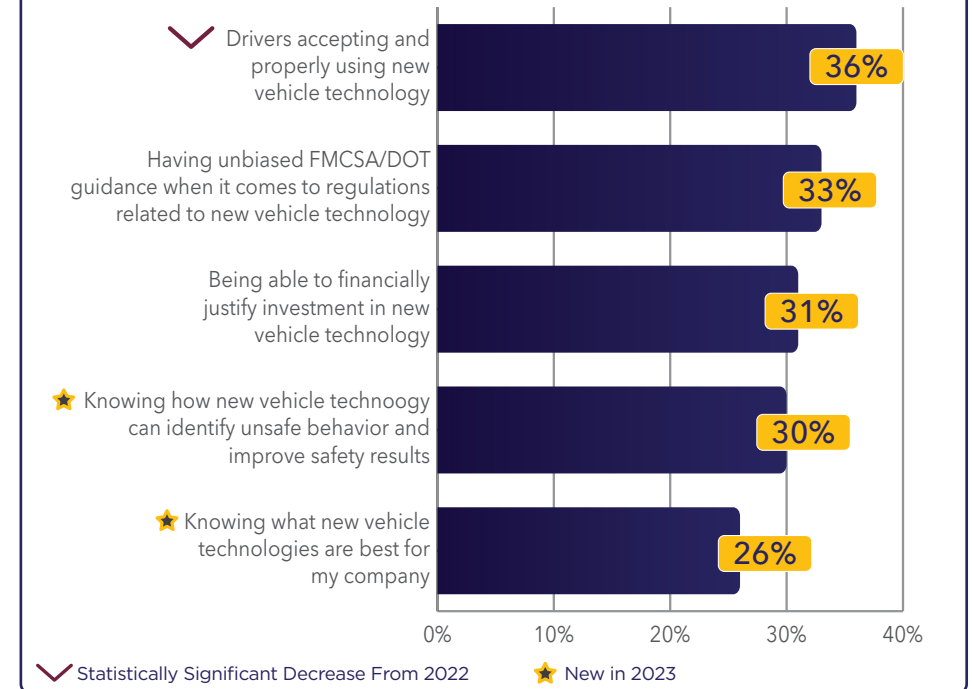
NEW VEHICLE TECHNOLOGY

With electronic logs, dash-cams, and other electronic systems now commonplace, the need for drivers to accept and properly use new technologies has dropped in importance (down 15% since 2022) but remains the most important aspect of any new technology.

With tighter budgets, respondents also indicated the importance of knowing the benefits and costs of any new technology.

NEW VEHICLE TECHNOLOGY

% Most Important



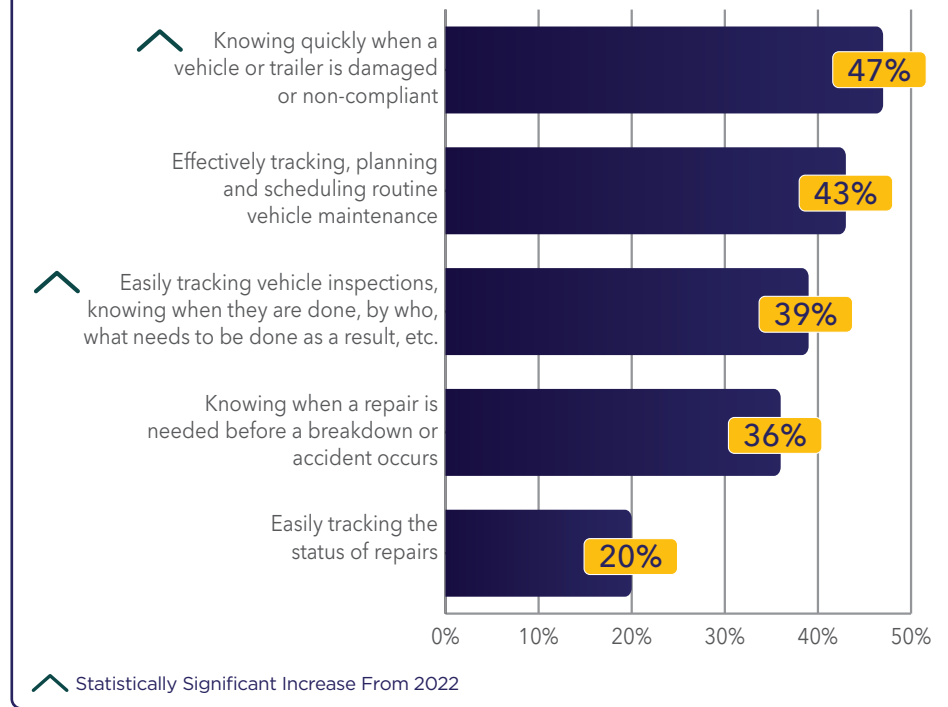
VEHICLE MAINTENANCE

When it comes to maintenance and repairs, fleet managers want to keep close tabs on their vehicles so they can be properly maintained or — if needed — quickly repaired, and today's technology can often make that happen.

There was a significant (24%) increase in respondents who said it is most important to know quickly when a vehicle is damaged or out of compliance (47%) or to know about needed repairs before a breakdown occurs (36%). Respondents also stressed the importance of preventative maintenance and the need to keep track of inspections and repairs.

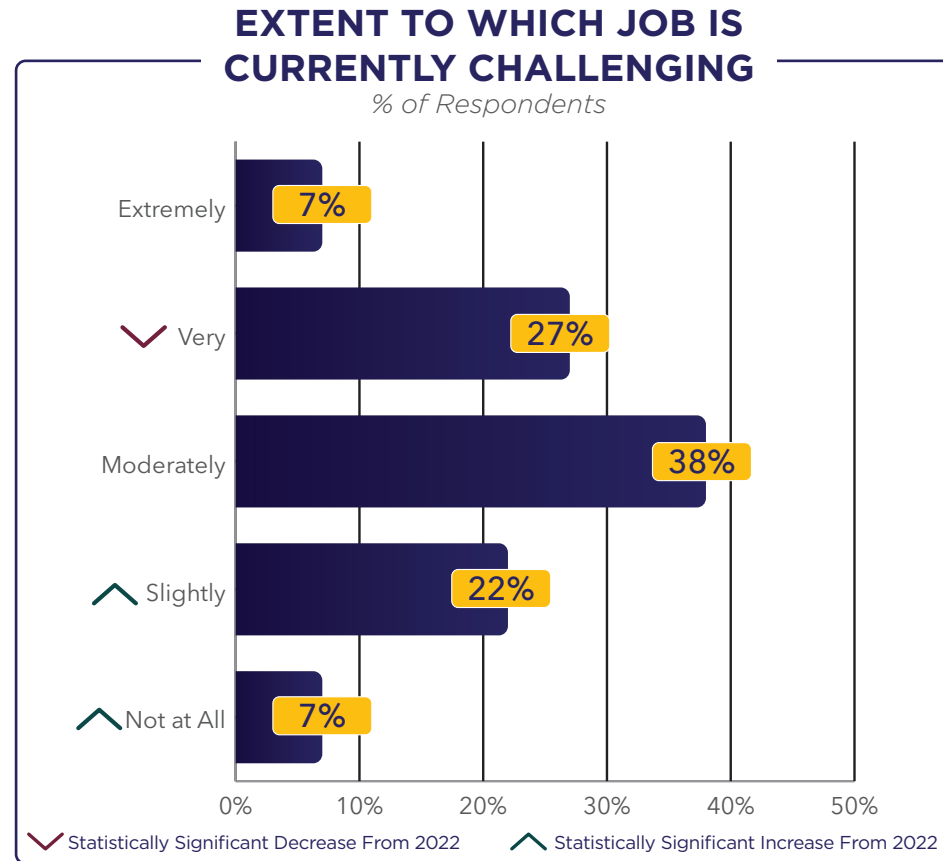
VEHICLE MAINTENANCE

% Most Important



TOP CHALLENGES

Fleet management has always been a demanding job, but its challenges have been compounded in today's operating environment. Not surprisingly, most fleet managers (72%) said their job is moderately to extremely challenging.



When asked an open-ended question about the aspects of their jobs that they find most challenging, top responses from fleet managers were:

1. DRIVER HIRING AND RETENTION

2. KEEPING UP WITH COMPLIANCE

3. VEHICLE REPAIR AND MAINTENANCE

CHALLENGE #1:

HIRING AND RETAINING DRIVERS

With an estimated shortage of more than 80,000 drivers, it's no wonder the truck and bus transportation industries are facing challenges with driver hiring and retention.



WHAT DO OUR EXPERTS SUGGEST?

EXAMINE PAY AND BENEFITS

Pay and benefits must be competitive to attract new drivers and keep current ones. Evaluate pay and benefits on a regular basis, considering the following:

- ▶ The pay package should be structured to pay for activities that other carriers do not.
- ▶ The starting wage should be higher — and the benefits package better — than those offered by competitors.
- ▶ Having more industry experience should result in a higher starting wage.
- ▶ Pay by rolling or practical miles rather than “shortest” miles.

If pay and benefits don't make you stand out from the crowd, at least make sure they're competitive.

EXAMINE THE WORK ENVIRONMENT

Drivers generally don't leave over pay alone; they often leave because of the way they're treated. The work environment and "culture" of a company have more impact on retention than almost any other factor, including pay. Your company's reputation among drivers, internal and external, may be the best or worst recruiting tool.

Regularly evaluate the work environment and ask these questions:

- ▶ Is the equipment clean, well-maintained, and in good condition?
- ▶ How do dispatchers and supervisors treat your drivers?
- ▶ Does the company have an "open-door policy" for questions, concerns, and complaints?
- ▶ Is there a support structure to help drivers who run into problems?
- ▶ Do you have policies and procedures to ensure drivers get adequate time at home, on a scheduled basis? How long are drivers forced to be away from home?
- ▶ Do you have a unique and progressive policy for earned time off, personal leave, and/or vacation time?
- ▶ Do drivers have any say in their dispatch, or is it "forced" on them?
- ▶ Does the company dedicate drivers to specific customers or areas to try to give them a more scheduled lifestyle?

MAKE YOUR COMPANY UNIQUELY ATTRACTIVE, SO YOU
CAN ANSWER THIS QUESTION WITH CONFIDENCE:

"WHY SHOULD I COME TO WORK FOR YOU?"



HIRE FROM WITHIN

Your best hires may come from within. Consider recruiting new drivers from existing staff.

- ▶ Let employees know about open driver positions and all they have to offer.
- ▶ Start a ride-along program to let interested employees experience the role of a driver.
- ▶ Plan for future capacity needs well in advance, and budget accordingly. It could take several weeks or months to get an employee up to speed as a driver, and you may want to pay for their training and licensing.

ENCOURAGE REFERRALS

The best advertising can be word-of-mouth. Encourage your drivers and other employees to refer other drivers for open positions. Referred drivers tend to have a lower turnover rate, especially if the referring employee participates in the onboarding process.

For a referral program to be as successful as possible, it should:

- ▶ Have enthusiastic support from management;
- ▶ Be actively promoted throughout the company;
- ▶ Offer a variety of awards, including cash incentives; and
- ▶ Specify who is and isn't eligible to participate.



SEEK REHIRES

Your filing cabinet of former drivers may be an untapped resource for filling open seats. Just because a driver has left doesn't mean the relationship needs to end forever. Keep in touch with former drivers who:

- ▶ Left under good terms,
- ▶ Left to pursue a career outside of trucking, or
- ▶ Left to pursue another driving opportunity.

Target as many former drivers as possible, and be persistent.

EXPAND YOUR REACH

When doing external recruiting, take advantage of all opportunities to find new drivers, including:

- ▶ Job fairs;
- ▶ Internet-based recruiting, including social media;
- ▶ Advertisements in magazines, newsletters, and on radio and television;
- ▶ Apprenticeships for inexperienced drivers, in partnership with a local driving school; and
- ▶ Non-traditional drivers, such as women, younger drivers, minorities, and military veterans.



The driver shortage is among the industry's biggest concerns, and it's only expected to get worse. You can take steps to help improve your chances of landing and keeping quality drivers, but stakeholders across the country will need to work together in coming years to develop solutions that benefit the entire industry.



CHALLENGE #2:

KEEPING UP WITH COMPLIANCE

WHAT SURVEY RESPONDENTS SAID: *THE MOST CHALLENGING ASPECT OF MY JOB IS...*

Keeping up with the different OSHA or FMCSA requirements. Also keeping up with different state, city and county guidelines regarding safety and DOT requirements.

Staying compliant in the multiple aspects of our daily routine.

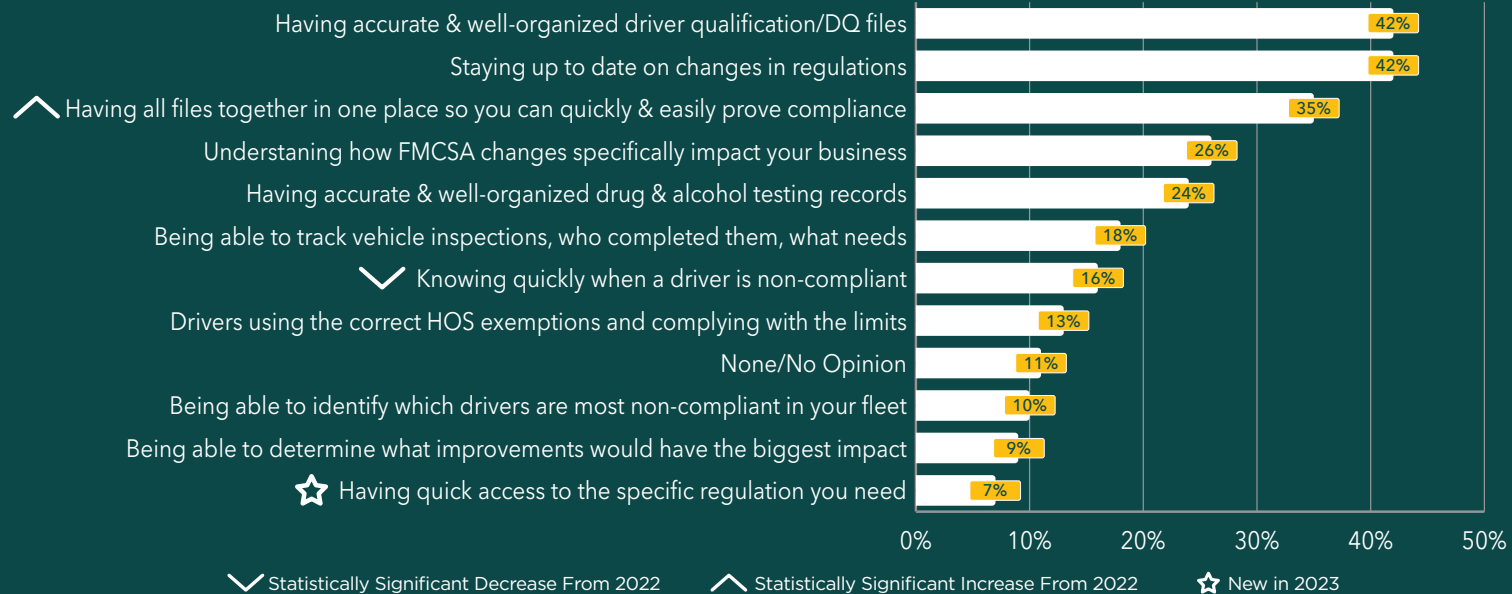
Ensuring that all vehicles are compliant at any given time.

Compliance and keeping up with rule changes. Ensuring all required steps are completed for hiring drivers.

Compliance with local, state, and federal regulations is crucial for businesses involved in transportation, not only to prevent fines and penalties but also to reduce risk and protect public safety. Though compliance can be a daunting task, there are some things you can do to ease the burden.

FMCSA COMPLIANCE

% Most Important



WHAT DO OUR EXPERTS SUGGEST?



BE INFORMED

You've probably heard the saying that "ignorance of the law is no excuse." There's just no way around it: compliance starts with knowing the rules. In fact, the Federal Motor Carrier Safety Regulations themselves require all motor carriers to "be knowledgeable of and comply with" those regulations. They also require drivers and other affected employees to be instructed in the regulations.

If you don't want to read all the laws and regulations that apply (and who does?) — not to mention all the related guidance documents, interpretations, FAQs, government websites, court cases, etc. — then turn to subject-matter experts who can provide plain-English summaries and other compliance guides.

49 CFR 390.3(e) — Knowledge of and compliance with the regulations.

(1) Every employer shall be knowledgeable of and comply with all regulations contained in this subchapter which are applicable to that motor carrier's operations. (2) Every driver and employee shall be instructed regarding, and shall comply with, all applicable regulations contained in this subchapter.



STAY INFORMED

Similarly, if you don't have the time, resources, and/or expertise to digest the Federal Register, the Congressional Record, or other daily accounts of government activity, you'll need to rely on someone else to do it for you. Take advantage of Compliance Network, newsletters, seminars, workshops, email lists, industry associations, or similar resources to stay informed of recent and upcoming rule changes.



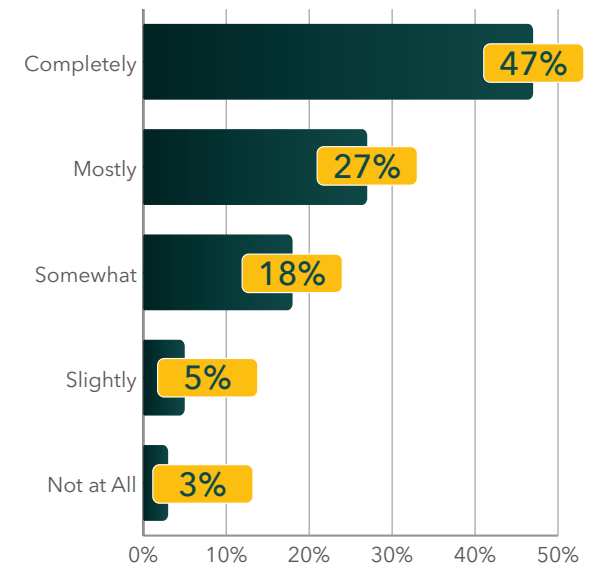
DEVELOP AND MAINTAIN A SAFETY PROGRAM

Laws and regulations set minimum standards that you must follow, but you can't expect to be a safe and compliant operation by simply handing a copy of the laws and regulations to every employee. You'll need to tell employees exactly what they need to do, which means establishing a comprehensive safety program that outlines all the policies, procedures, and guidelines your organization intends to follow. At a minimum, the program should address key areas like:

- ▶ Driver hiring and qualification,
- ▶ Hours of service,
- ▶ Vehicle inspection and maintenance,
- ▶ Drug and alcohol testing,
- ▶ Accident response, and
- ▶ Recordkeeping.

SAFETY IS THE MOST IMPORTANT THING AT MY COMPANY: WHEN CUSTOMER SERVICE OR PROFITABILITY COME INTO CONFLICT WITH SAFETY, WE ALWAYS CHOOSE SAFETY.

% Agreement



KEEP GOOD RECORDS

Good records are a valuable business asset: they prove that you have a safe, compliant operation. They'll also prove vital during an audit or litigation.

The key is:

- ▶ Knowing what you need to keep,
- ▶ Keeping your records all up-to-date, and
- ▶ Keeping them organized and accessible.

Again, turn to subject-matter experts who can tell you exactly what's needed. Perform self-audits on a regular basis to verify your files are complete. If possible, invest in an electronic records management system that can keep all your files organized and accessible at the click of a mouse.

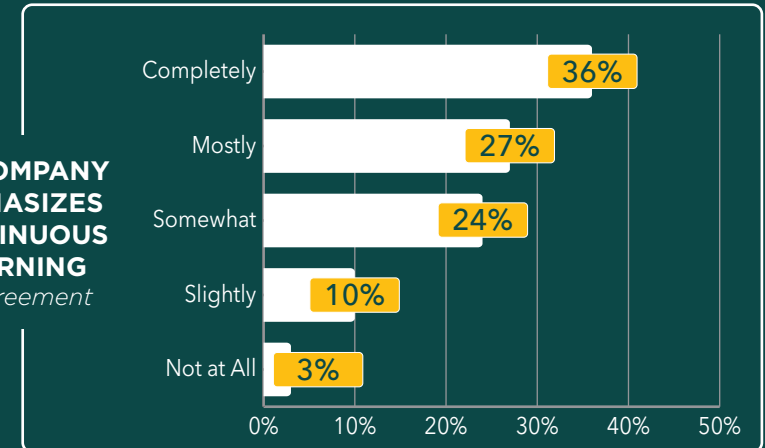
PROVIDE TRAINING

Federal rules don't require much training, but your company policies should. Provide regular training and education for your drivers and staff to ensure they understand and adhere to the latest DOT safety regulations and best practices.

Cover topics such as:

- ▶ Defensive driving,
- ▶ Cargo securement,
- ▶ Emergency procedures, and
- ▶ Regulatory updates.

**MY COMPANY
EMPHASIZES
CONTINUOUS
LEARNING**
% Agreement

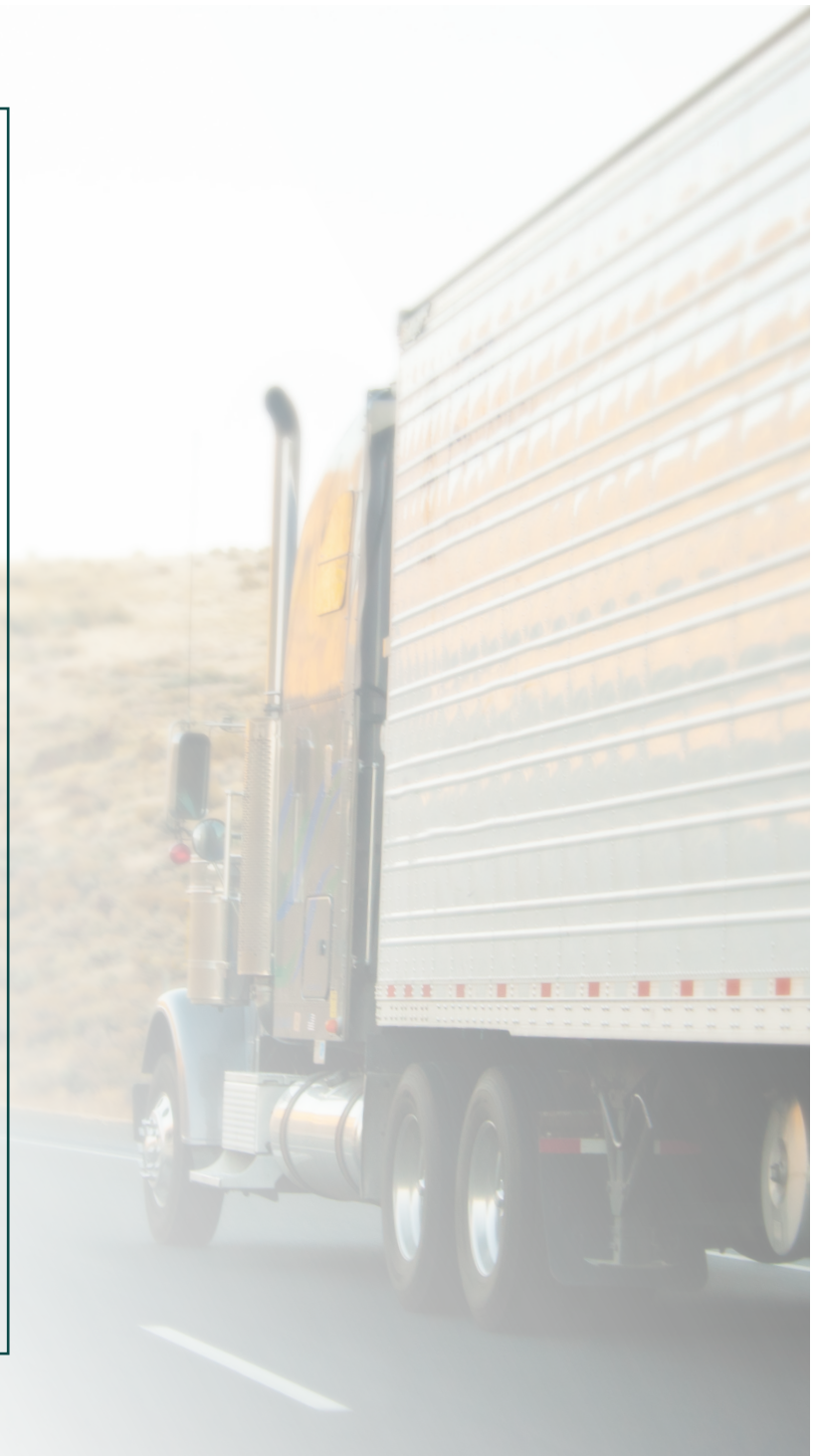


CONDUCT INTERNAL AUDITS

Regularly audit your compliance program to identify any gaps or opportunities for improvement. This proactive approach will help you address issues before they become violations. Consider:

- ▶ Using checklists to guide the audit and record the results; and
- ▶ Enlisting the help of a third party to conduct the audit with “fresh eyes.”

Compliance with transportation safety regulations is an ongoing process that requires continuous effort and attention. By prioritizing safety, staying informed, and implementing these best practices, you can maintain compliance and promote a culture of safety within your organization.



CHALLENGE #3:

VEHICLE REPAIR AND MAINTENANCE

WHAT SURVEY RESPONDENTS SAID: *THE MOST CHALLENGING ASPECT OF MY JOB IS...*

Keeping up with all the service and maintenance

Getting [employees] to bring in their trucks for service

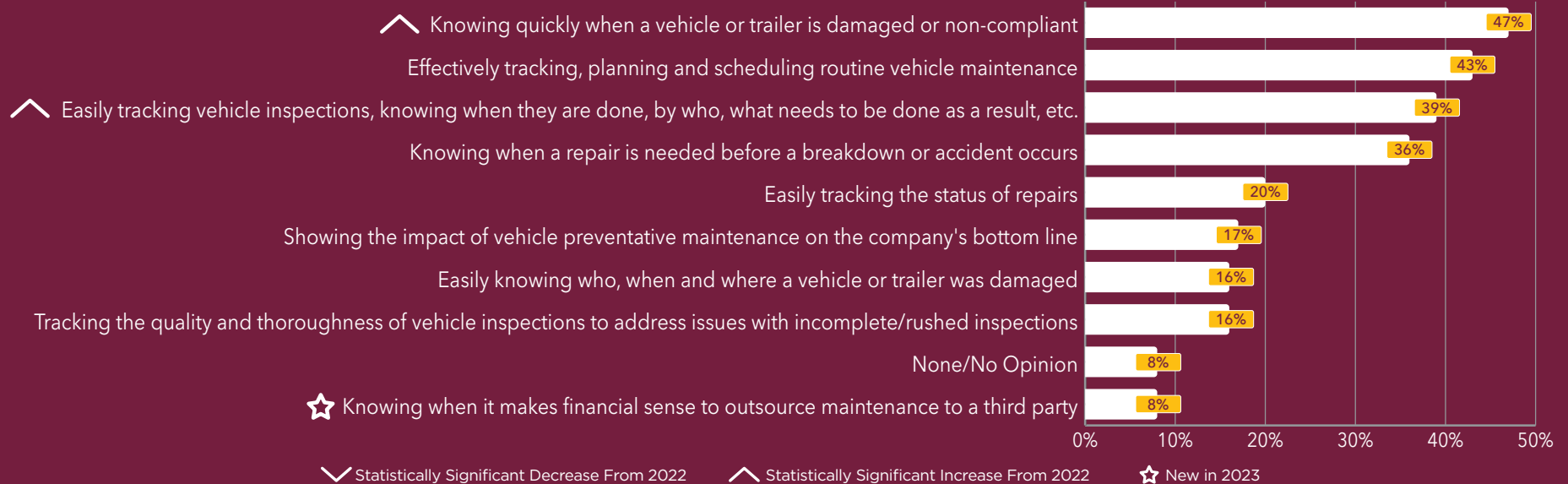
Finding parts

With global supply chains still struggling to recover from the COVID-19 pandemic, vehicle parts are still hard to find. On top of this, a worker shortage means qualified technicians are in short supply. However, the need to operate safe, compliant vehicles has not changed, and inflation means violations are costlier than ever.

These conditions have made it more important than ever to stay on top of vehicle inspections, maintenance, and repairs.

VEHICLE MAINTENANCE

% Most Important





WHAT DO OUR EXPERTS SUGGEST?

DO PREVENTATIVE MAINTENANCE

Regulations require every motor carrier to “systematically” inspect, repair, and maintain their vehicles, but there is no guidance on how to accomplish that. Compliance is best achieved with a preventative maintenance (PM) program. This involves scheduled inspections and maintenance to prevent vehicle breakdowns and accidents, instead of doing repairs after the fact.

49 CFR §396.3(a) – Every motor carrier and intermodal equipment provider must systematically inspect, repair, and maintain, or cause to be systematically inspected, repaired, and maintained, all motor vehicles and intermodal equipment subject to its control.

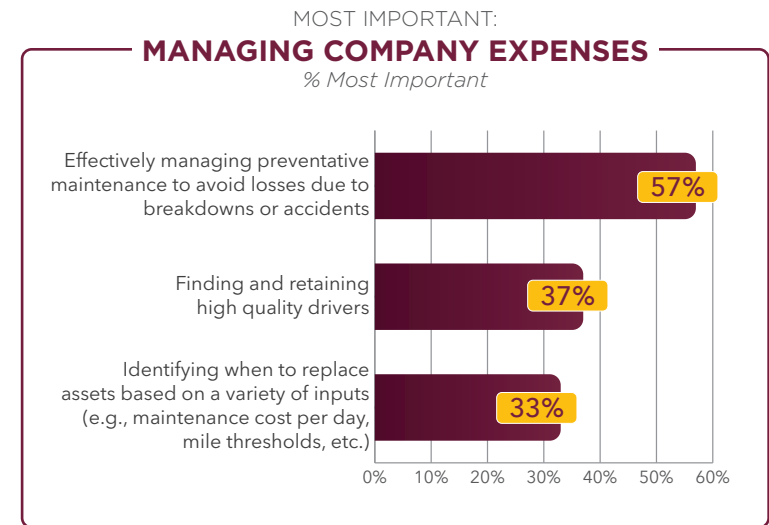
Vehicles under a PM program will:

- ▶ Require less unscheduled maintenance and repair (which is more expensive);
- ▶ Be less prone to accidents, breakdowns, and out-of-service orders;
- ▶ Have fewer roadside violations; and
- ▶ Be more productive.

Preventative maintenance is an attitude, a commitment. It doesn't mean simply getting a vehicle into the shop and fixing what you see. It means being constantly on the lookout for things that might go wrong. It means getting the best, most cost-effective equipment for the vehicle and then taking care of it.

57%

of respondents indicated that an effective preventative maintenance program is the most important tool for managing company expenses.



Start with your vehicle manufacturers' recommended inspection and maintenance schedules and then customize them to meet your needs, depending on your operating environment. Your PM system will be judged based on:

- ▶ How well you're following your schedules,
- ▶ How your vehicles fare during roadside inspections, and
- ▶ Your record of completing maintenance and repairs.

IMPLEMENT COMPREHENSIVE DAILY INSPECTIONS

Federal regulations are vague when it comes to daily vehicle inspections. That's where company policies can step in and require drivers to perform comprehensive pre- and post-trip inspections, as well as en-route inspections. At a minimum, drivers should inspect the items listed in 49 CFR 392.7, but it's a good idea to do (and document) a full stem-to-stern inspection before and after every trip. This will help ensure that defects and other issues are found and addressed before they become major problems.

CMV DAILY INSPECTION RULES

Pre-trip: **49 CFR §§392.7, 392.8, 392.9, 396.13, 396.15** (for driveway-towaway operations), and **390.42** (for intermodal equipment).

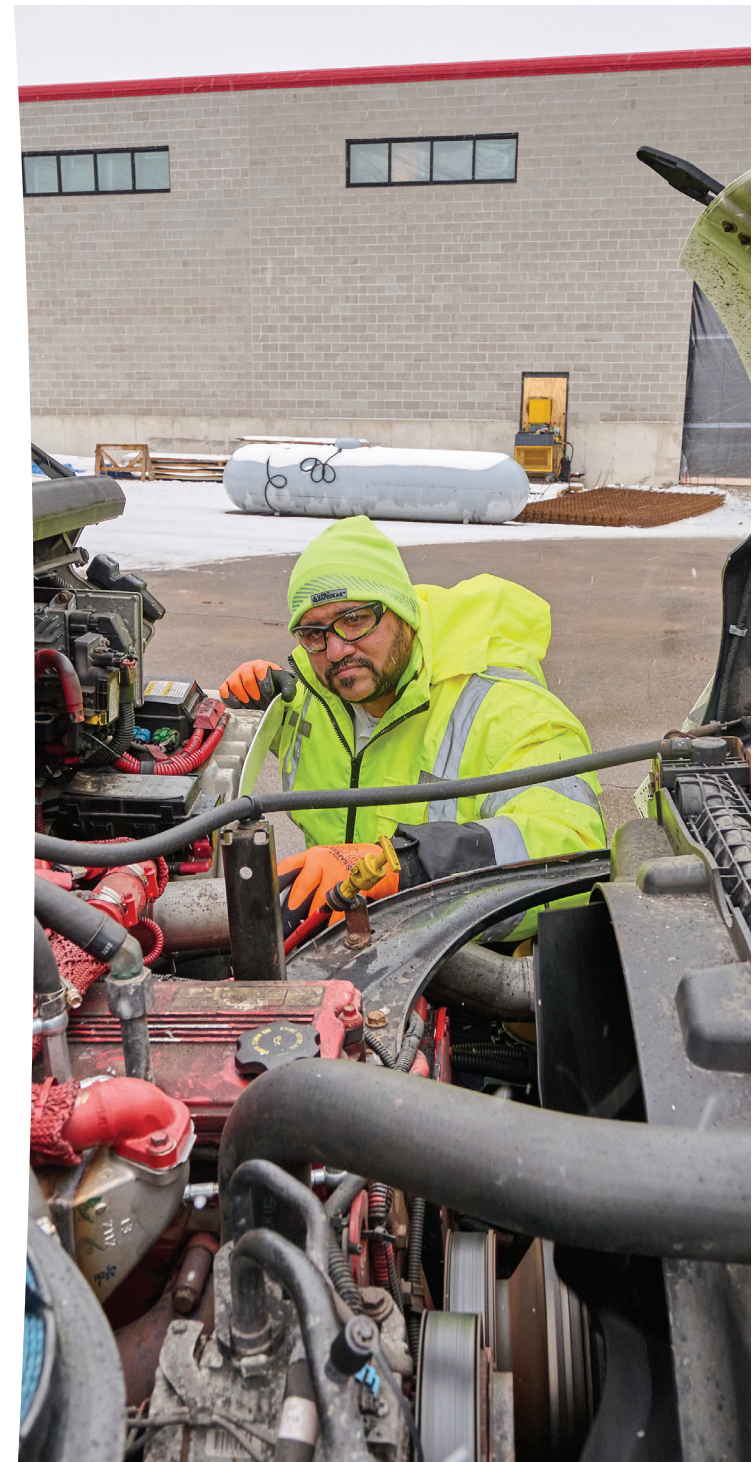
Post-trip: **49 CFR §§396.11, 396.15** (for driveway-towaway operations), and **390.42** (for intermodal equipment).

En route: **49 CFR §§392.9** and **397.17** (for hazmat).

USE ELECTRONIC REPORTING AND TRACKING

Electronic inspection reports and maintenance tracking can greatly ease the burden of getting the right information to the right people at the right time.

- ▶ Electronic records allow quick access to the entire inspection and maintenance history and schedules for any vehicle.
- ▶ The right system can audit the records, provide compliance reports and reminders, and help keep vehicles on the road — or identify when they may need to be retired.
- ▶ An electronic driver's vehicle inspection report (DVIR) can enforce a specific inspection process, then be routed from the driver to the mechanic to the next driver before going into digital storage.



ADJUST YOUR PROGRAM FOR LONGER LIFECYCLES

With parts and vehicles hard to find, many motor carriers have extended the lifecycle of their fleet. While this may help defer payments for new equipment, it may require certain adjustments to your maintenance program.

Federal regulations do not require “extra” or more frequent inspections for older equipment, so you’ll need to determine what’s best. As vehicles age, they will reach wear limits that have never been reached before.

FOR EXAMPLE, IF YOU EXTEND THE LIFECYCLE FOR A HEAVY-DUTY VEHICLE FROM **400,000 MILES TO 800,000 MILES,** YOU MAY UNCOVER A NEW TASK (AND A NEW EXPENSE) THAT YOU NEVER HAD BEFORE:

REBUILDING OR REPLACING ENGINES.

The same is true of other major components. Rebuilding transmissions, axles, frame components, and other “long-life” components can be costly. The longer you keep the vehicle, the greater the odds that these components will need attention — and funding.



By establishing an effective preventative maintenance program that goes beyond mere compliance and includes comprehensive daily inspections and electronic records management, you can bring your vehicle inspection and maintenance program to another level. This should help keep your vehicles rolling, increase safety and compliance, and protect the bottom line.



CONCLUSION

The transportation industry continues to face a challenging landscape. With labor and parking shortages, supply-chain disruptions, high fuel costs, economic uncertainty, increased regulation, and decreased profits, motor carriers will need to adapt, innovate, and invest in the necessary resources and technologies to survive.

Through it all, fleet managers are keeping an eye on compliance and safety and stressing the continued importance of the basics:

- ▶ Making sure drivers can operate their vehicles — and perform their jobs — safely;
- ▶ Keeping the wheels turning by staying on top of vehicle maintenance;
- ▶ Ensuring records are accurate, organized, and compliant;
- ▶ Using engaging, ongoing driver training sessions and ensuring the training is applied to the job;
- ▶ Investing in technology when it's smart to do so; and
- ▶ Getting buy-in to the “safety first” message, from the top down.

Compliance and safety form the foundation of any successful transportation operation. Without a solid foundation, a building can collapse, and so too can a business — when faced with fines, lawsuits, and reputational damage. With a solid foundation and the willingness to adapt, however, a business can withstand any temporary challenges today's operating environment might have in store.



ABOUT THE AUTHOR

Daren Hansen, CTP, joined J. J. Keller in August 1996 with a background in environmental regulatory compliance and journalism. As a Senior Editor on the Transportation Safety team in the Content & Consulting Services Department, he is responsible for writing, editing, and providing a variety of safety-related products, publications, and services for the trucking and busing industries, including handbooks, guides, newsletters, posters, online services, forms, training kits, webinars, live presentations, and more. Daren earned his Certified Transportation Professional (CTP) credential in 2022.



ABOUT J. J. KELLER CENTER FOR MARKET INSIGHTS

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