

Full speed ahead to greener trucking

Fleet Advantage, run by South Florida entrepreneur John Flynn, uses proprietary tracking technology to cut down emissions and lower transportation costs.

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If a company leases 300 tractor-trailers from John Flynn, president and CEO of Fleet Advantage, the fleet operator will be able to tell, on a daily basis, what kind of fuel economy each tractor is getting, how far it has been driven, if it's performing efficiently and how well — or badly — the driver is handling the \$100,000+ rig.

Using data provided by Fleet Advantage computers installed on each tractor, customers also will be able to decide how long they can economically operate each unit and when it is time to get a new tractor.

Flynn has combined years of business experience with high-tech equipment to develop Fleet Advantage, a Fort Lauderdale-based truck leasing firm that offers to lower costs and emissions for companies us-

ing large tractor-trailer fleets.

Flynn began his career in the truck leasing business with Hertz Corp. in the 1970s and decided to launch a truck leasing company in 2008, in the midst of the Great Recession.

Since then, Fleet Advantage has grown steadily and today is leasing about 3,000 trucks to U.S. companies. "Our first customer was BP Oil in Chicago in 2008" and Fleet Advantage became profitable during 2009, said Flynn, who hired experienced leasing and IT professionals to work with him.

The company's revenues doubled year-over-year in 2010 and 2011, he added, and he expects a 50 percent increase in 2012. Flynn did not provide specific figures on revenues or profits.

Flynn, who started up and

ran successful leasing companies in the past, realized that advanced technology could be applied to the truck leasing business in a new way that would save clients money. At the same time, he saw that the federal government was mandating clean diesel technology starting in 2010 and that operators of older truck fleets — whether owned or leased — could benefit from using new, more efficient and environmentally cleaner equipment. "After more than 30 years of doing things the hard way, I saw an opportunity to apply new technology to the truck leasing business," Flynn said.

Using money earned from previous businesses, plus bank loans, Flynn made a multi-million dollar invest-

ment in the new company. He and his team developed proprietary software for producing a "report card" on each truck in a fleet and gathered data on the performance of major tractor makes and models. They placed computers on each vehicle that provide real-time data on fuel economy, maintenance, emissions, how long a truck is idling (indicating a driver may be taking too long for meal breaks), if the driver is shifting inefficiently, making jack-rabbit starts (that affect fuel efficiency and cause excessive wear and tear) or speeding. Bad drivers can be sent for retraining or replaced.

What this means is

that a company that has several hundred trucks in its fleet — often models from different years with varying mileage and sometimes different brands — can obtain precise, daily information on each tractor, rather than general figures on the fleet. The customer can determine cost, efficiency, maintenance and environmental information on each truck and decide when each unit is using too much diesel fuel, when it should be maintained, its efficiency compared to other units and when it should be replaced. "If a truck is supposed to be getting 7 miles per gallon and is only

getting 6 mpg, we find out why," Flynn said. A driver may need to be retrained or the unit may need maintenance or repair.

Fleet Advantage urges potential customers to lease rather than purchase equipment. Leasing preserves cash and credit lines, has tax advantages and permits more frequent upgrades to newer models with accompanying improvements in fuel efficiency and cost savings, as well as fewer emissions, the company says.

Diesel fuel is the largest operating cost for truck-



ON THE MOVE: Hannaford Supermarkets of Maine, with 179 stores in five states, has been leasing from Fleet Advantage since 2008. It now leases 75 tractor-trailers and plans to add 25 more, said Gerry Greenleaf, a Hannaford executive.

/PHOTO PROVIDED BY HANNAFORD SUPERMARKETS

ing companies, and prices have increased. For example, the average price of diesel nationwide recently was \$3.962 a gallon, up from \$3.185 a year ago, according to AAA's Fuel Gauge Report and the Oil Price Information Service.

Most big trucks run between 80,000 to 130,000 miles per year, Flynn said, and companies usually keep their trucks operating for six to seven years. After 350,000 to 400,000 miles, trucks require more maintenance and out-of-warranty repairs. Fleet Advantage can show fleet operators how leasing new equipment every three to four years can produce important savings.

Part of the savings come from the fact that newer model trucks have better fuel economy and lower maintenance costs. Additional savings come from Fleet Advantage's monitoring of each new truck's performance and recommending adjustments.

Because Fleet Advantage is a major purchaser of tractors and trailers, it can order specially designed equipment from manufacturers that cuts down on pollution, Flynn said. For example, Fleet Advantage will ask for sealed transmissions, drive lines and wheel hubs on new units to stop oil and grease leakage on the highway. In addition, Fleet Advantage orders trucks with special filtration systems that require engine oil changes every 50,000 miles instead of every 25,000.

The company recommends equipment suited to clients' specific needs. For example, tractors that regularly travel through mountainous terrain require different gear ratios than trucks that ply highways on the plains.

Fleet Advantage competes against giants like Miami-based Ryder System, which has been nationally recognized for its green practices in the transportation and logistics industry,



CHARLES TRAINOR JR./MIAMI HERALD STAFF

BIG RIGS: John Flynn, who founded and owns Fleet Advantage, a successful nationwide truck leasing company, previews new equipment on the Kenworth lot in Fort Lauderdale. He buys trucks from Kenworth and other manufacturers.

"After more than 30 years of doing things the hard way, I saw an opportunity to apply new technology to the truck leasing business,"

— John Flynn, president and CEO of Fleet Advantage

and Penske, as well as others on a national scale, and has lined up customers that include Costco, BP, Dyno Nobel, Hannaford Supermarkets and Tony's Fine Foods.

Tony's Fine Foods, a retail food distributor located in West Sacramento, Calif., has been leasing tractors and trailers from Fleet Advantage since 2009. "Fleet Advantage is unique in that it is more than just a leasing company," said Ron Selders, vice president of operations at Tony's Fine Foods. "They'll customize a lease to your specific business needs, and work with you on changing leases, equipment specifications and selling off old equipment. They al-

so work very hard at minimizing our total cost of fleet ownership. They provide data and analyze it for you."

Justin Molavi, a senior analyst at IBISWorld, a marketing research firm in Santa Monica, Calif., said that Fleet Advantage "is a progressive business model that's changing up how the industry does business." It achieves this "by combining new types of data reporting to help evaluate the truck mile per mile as opposed to yearly evaluations, helping customers make their fleets more efficient."

Other firms offer data options, Molavi noted, but what they provide is "not as robust as Fleet's offering."

Fleet Advantage

- **Business:** Leases fleets of trucks (tractors and trailers) to corporate clients.
- **Established:** 2008
- **Headquarters:** Fort Lauderdale
- **Founder, CEO and president:** John Flynn
- **Employees:** 25
- **Customers:** About 3,000 trucks leased to clients nationwide.
- **Website:** www.fleetadvantage.net

Lowering costs and emissions in trucking fleets

Diesel fuel is normally a fleet's largest operating expense. For example, if each truck in a 500 tractor fleet logs 100,000 miles per year and averages 5.5 miles per gallon, a one mile-per-gallon efficiency gain would save nearly \$5.6 million per year when diesel is priced at \$4 per gallon. In the trucking industry, small savings often mean an advantage over competitors.

- Fleet Advantage says that trucking companies can achieve important savings by:
 - Entering into flexible leasing agreements that replace older, less efficient trucks with new generations of tractors that consume less diesel fuel and pollute less.
 - Reducing a fleet's life cycle from 6-7 years to 3-4 years, thus providing a company with newer, safer and more efficient equipment. Maintenance and repair costs typically increase after 350,000 to 400,000 miles.
 - Fleet Advantage installs small computers on each tractor that provide daily information on the truck's location, speed, fuel consumption, driver performance and efficiency compared to other trucks.
 - The company also orders tractors with special features from manufacturers, such as special filtration systems that allow oil changes every 50,000 miles instead of every 25,000.

Source: Fleet Advantage