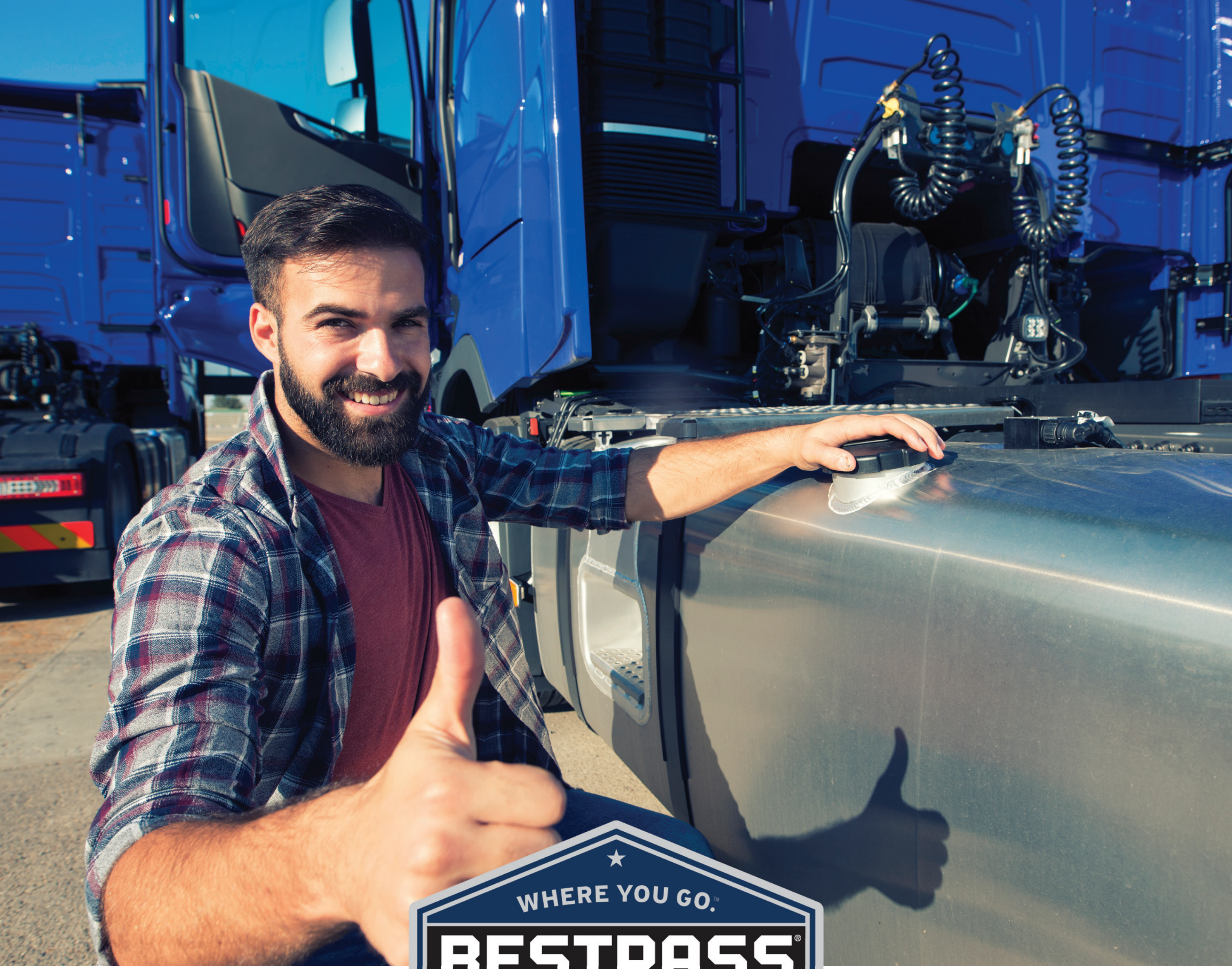


WHERE YOU GO.™
BESTPASS®

STRATEGIES FOR YOUR FLEET:

Increase Driver Retention

CONTENTS

About Bestpass

Bestpass is a comprehensive payment platform provider and leader in toll management solutions for commercial fleets of all shapes and sizes. We ensure data accuracy, consolidate payments, and save users time and money. Founded in 2001 by truckers for truckers, we are a trusted partner on the road and in the back office for customers and tolling authorities.

The three most critical issues in the trucking industry are all driver-focused concerns: the ongoing driver shortage and the closely related issues of driver retention and driver compensation, according to the American Transportation Research Institute (ATRI). While the driver shortage has been the top industry issue for five years straight, driver retention rose four positions from its previous year's ranking. The American Trucking Associations (ATA) reported a 92 percent driver turnover rate, which is no surprise as we have all felt the driver crunch these last two years.

92% driver turnover rate

Solving the problem is no small challenge, but what is the right approach to retain employees and contractors? While there are many promising ideas, all of them involve costs — some of them direct expenses, others involve dedicating resources that distract fleets from their primary focus.

One way to offset those costs is through a toll management program. By removing the burden of dealing with transponders, processing payments, and chasing down violations, toll management programs are an effective tool not only for cutting costs but also for returning an even more valuable resource: time. The time that can be used to improve working conditions for drivers, allow creative experimentation with ideas to counteract churn, and transform companies into places where high driver retention is the norm.

Here's a closer look.

Scope of the Problem

The ATA estimated the driver shortage at a historic high of just 80,000 drivers in 2021, with the possibility of surpassing double that amount by 2030. The number represents the difference between the number of drivers currently in the market and the optimal number of drivers based on freight demand. While all trucking industry sectors struggle with the problem, the shortage is most acute in the longer-haul, for-hire truckload market — where long stretches on the road, lack of exercise, and loneliness contribute to the stresses and demands of the job.

The COVID-19 pandemic also took a heavy toll on drivers, with many opting for less-demanding jobs that were perceived as less risky and kept them closer to home. In addition, the pandemic made it difficult for certified driver training schools, already impacted by higher costs, to offer in-class instruction.

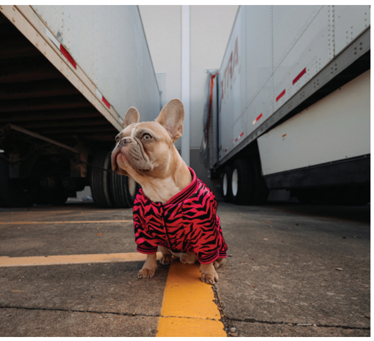
As a result of these and other factors, such as drivers aging out of the workforce and fewer young adults considering truck driving as a career, certified fleets find themselves competing for the same, ever-shrinking pool of existing qualified drivers. The industry has also seen drivers jumping from one fleet to another to score bonuses and perks, while companies' inability to live up to driver expectations has contributed to turnover.

"The first three to six months are the most crucial... that's when you find out if that driver's going to stay with you or not," says Angie Twardawa, CEO of certified woman-owned trucking company Angie's Transportation and a long-term customer of toll management program Bestpass. "It comes down to, are they meeting your expectations — and are you meeting their expectations?"

The company's website offers a telling statistic: a turnover rate of just 18.5 percent, a fraction of the industry average that it attributes to treating drivers "like family."

Solutions

Curbing churn is both an art and a science. On the art side, are strategies for making the company a place where drivers want to be — creating a driver-centric atmosphere where those responsible for fulfilling the company's mission of delivering goods are treated with respect.



Twardawa's strategy includes providing amenities such as a rider policy, which allows drivers to have a passenger ride along with them; pets are allowed as well. Her company also created a mentorship program for new drivers, administered by a select group of experienced drivers who can provide feedback to company leaders on what's working — and what isn't. From a broader perspective, her philosophy involves seeking the same sort of input from drivers as from the company's customers. Surveys and questionnaires are used to solicit their feedback; sit-down meetings are held after the first three to six months on the job, allowing drivers to rate their experience with their manager and the company as a whole.

On the science side are more tangible retention measures, such as those directly related to pay and benefits. Crucial to avoiding driver disillusionment in this regard is transparency, which allows expectations to be communicated from both sides of the hiring table. Examples include easy-to-understand payment structures for both employees and contractors, bonuses for safety compliance, and the like. Additional perks might include a driver-centric approach to scheduling, through which repairs and maintenance are planned during driver downtime or more time at home is allotted in advance. It might also be possible to allow drivers to focus on certain preferred locations or decline loads they would prefer not to haul.

Offsetting Costs

Building a driver-centric culture that permeates all driver interactions with a company, from making first contact to becoming acclimated to experiencing ongoing satisfaction, takes expenditures of both money and time. Of the two, time is probably more important. As the 2021 ATRI report notes, many view the driver shortage and driver compensation as the same issue, giving weight to the idea that the shortage can be solved by simply increasing driver pay. Yet this is unsustainable in the long term, and compensation is only one part of the retention equation. Over the past two years, the industries hardest hit by the "Great Resignation" trend ushered in by the pandemic have learned what some of the world's most successful companies have known all along: Loyalty cannot be bought. It must be earned, and earning it means investing time.

Toll management programs save money in easily quantifiable metrics, such as greatly reduced plate violations, near-elimination of transponder misreads, and the extension of volume discount eligibility to smaller carriers. Less obvious, but even more valuable, is their ability to save time. They return to companies the time that would otherwise be spent on tracking transponder and plate data, processing payments, and spending time on hold addressing violations with tolling authorities.

Consider, for instance, a company with a fleet of 800 trucks, each with a transponder. Managing that fleet — in terms of tolling alone — might be a task to which administrative staff members can devote up to 100 hours a month. Then consider what might be possible if those hours were returned to the bank of time that can be spent implementing retention strategies.

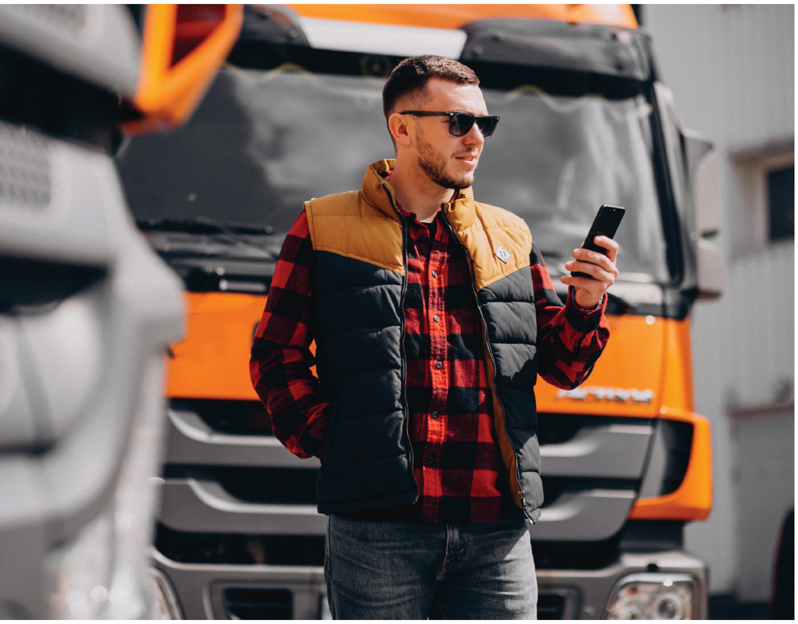
100 hours per month managing toll

Some specific time-saving benefits can be passed along to owner-operators under contract, who typically need to collect and submit toll receipts for reimbursement. Toll management programs eliminate this hassle through toll-by-plate databases to which these vehicles can easily be added. By returning the valuable commodity of time to contractors, the likelihood increases that they'll want to return for future work.

Getting Creative

With more time also comes more possibility to experiment with what might work best for an individual company's unique circumstances — not only in terms of driver retention strategies but also in terms of overall company momentum and agility. Challenges facing today's trucking industry extend considerably beyond the driver shortage and the lingering effects of the pandemic and include changes in federal mandates, restrictions prescribed by electronic logging devices (ELDs), and the shifting landscape created by the introduction of electric and autonomous vehicles. Companies able to devote resources to these issues will be better able to stay on top of them and find the best path forward.

At Angie's Transportation, for instance, Twardawa noted that there is an ongoing investment in technology to make its drivers' lives easier. The company provides an app that, among other features, integrates its transportation management software with driver e-logs. When a driver is within one mile of a shipping/receiving destination, the office is automatically notified so that detention times can be tracked; if the hold time exceeds reasonable standards, the customer can be billed for the driver's inconvenience. This initiative to address detention time at customer facilities — another top-10 issue identified by the 2021 ATRI report — is an excellent example of the sort of creative innovation that becomes possible once mundane distractions like toll management are taken out of the picture.



Summing Up

Many industries today are reckoning with a workforce newly emboldened to seek on-the-job satisfaction that goes beyond the paycheck alone, and trucking is no exception. Retaining drivers is a challenge best addressed by companies willing to invest their resources into exploring a variety of approaches to discover what works.

Toll management programs make it possible for trucking companies to free up resources of both money and time, allowing them to refocus on what matters most. Those same programs can give companies the freedom to innovate, and even help move the industry in a more positive direction for all concerned.