

# THE METAMORPHOSIS OF DRAYAGE

HOW DRAYAGE EVOLVED INTO A PRIME DRIVER  
OF EFFICIENCY AND SUPPLY CHAIN VISIBILITY

BY WALTER WEART





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## How drayage evolved into a prime driver of efficiency and supply chain visibility

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Origin and destination drayage has been a problem intermodal service providers have encountered since the onset of intermodal. While the shipper may be able to see part of the origin drayage, when the container reaches its destination ramp, the remaining move to the consignee loses some of its visibility. The railroad supplies information on the location of the container while in their possession, but once the move is turned over to a drayage company, timely information becomes difficult, if not impossible, to obtain. The location of the truck and time of arrival at the consignee became a constant unknown. These questions could equally be raised at origin, particularly if the length of dray was a far distance from the railroad terminal.

As Hub Group's Chief Intermodal Officer Dan Burke explains, there is a lot involved with origin and destination drayage. Paperwork must be completed, the equipment must be inspected and dispatch must be handled in an efficient and timely manner. Originally, Hub Group had outsourced all its drayage, but felt there was a better solution.

"We wanted to be able to more effectively match both pickups and deliveries to better utilize our contractor's equipment," said Burke.

Burke also noted that shippers were beginning to expect further transparency in their supply chains, and began looking to their service providers for visibility. That's when Hub Group's management moved aggressively to integrate drayage into their offering.

"As a first step, we started our own drayage firm, Quality Service, in the early 1990s as we felt this would give us the necessary control

to provide visibility and the information our customers required, as well as more control over the move itself," said Burke.

This move proved successful and in 2006 Hub Group acquired Comtrak Logistics, one of the country's most successful drayage companies at the time, and combined the two operations into one. Beginning in 2010, Hub Group started to quickly grow the drayage company by adding an average of 400 drivers a year. Currently there are nearly 3,000 tractors in operation, all running under the name 'Hub Group Trucking' – a recent name change that further integrated intermodal service offerings into the company.

So what's the latest on the technology horizon for the #8 trucking company in the country?

"In order to take advantage of the latest technology, both company-owned and owner-operator tractors within Hub Group Trucking are equipped with Omnitrac, a system that provides onboard computers that we fully integrated into our dispatch process," said Burke.

The use of Omnitrac also gives Hub Group the ability to do critical event recording, such as hard braking and other driving-related practices. It also provides electronic logging which might become particularly critical if made mandatory by the Federal Motor Carrier Safety Administration.

"Omnitrac utilizes GPS to provide detailed information on the truck's location and allows us to monitor the move so we can determine the driver's ETA," noted Burke. All of this makes the door-to-door move fully visible while under Hub Group's control.





In addition to in-cab technology, Burke explains that other safety and performance technology is being incorporated in all tractors. For instance, Hub Group continuously invests in new day cabs with the goal of having a fleet which is less than five years old and showcases the latest state of the art equipment.

“The technology we are adding certainly gives us supply chain visibility that our customers seek and the age of our fleet ensures we are leveraging technology to maximize fuel efficiency, improve safety and improve service,” said Burke.

As part of the overall improvement of the drayage operation, new tractors are being equipped with automatic transmissions, a feature which not only improves performance but also assists with driver recruiting and retention.

On that note, Burke is keenly aware of the driver retention and shortage issues but feels that the nature of Hub Group’s work, which allows drivers to be home almost every night, is an important lifestyle benefit for retaining drivers. Hub Group Trucking is also taking strides in minimizing driver dwell time so the driver can keep moving and stay productive, a factor in their earnings as well as equipment utilization.

As part of their short-term plan, Hub Group will be rolling out an upgrade to its TMS operating system which will significantly improve planning, equipment utilization and driver satisfaction.

“This will allow much more efficient use of our drayage assets and by incorporating Google

mapping, we can evaluate highway traffic patterns and forecast delivery based on this information,” said Burke.

Future enhancements will be made to the customer portals to make them more robust and provide significant information to Hub Group’s customers.

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Some of the other new technology that Hub Group is investing in is working in tandem with the drayage operation enhancements.

“We are putting satellite tracking equipment on all of our containers which will give us the ability to not only know their location, but also have knowledge of whether the container is loaded or empty,” reported Burke. The goal is to give Hub Group more control and better utilization of the containers.

The drayage portion of the intermodal move has come a long way since its early origins. The latest technology that companies like Hub Group are implementing will provide visibility and seamless movement that supply chain management requires.

