



FLATBED TRUCKING OPERATION REFINANCES TRUCKS & TRAILERS TO ADDRESS ELD MANDATE PRODUCTIVITY PRESSURES

Faced with limitations and pressures from the ELD Mandate, this company needed to make financial and operational changes to sustain operation of their current fleet of sleeper trucks and flatbed trailers.

Overview

A 40-year-old flatbed operator with 23 tractors faced some challenges after the new ELD Mandate was put into place. While the mandate helps eliminate paperwork, it also placed additional limitations on drive time. Once the tractor is running, “drive time” starts and can be impacted by stalled docking time (up to 4 hours per day), unexpected delays and normal downtime. Since the maximum running time is 14 hours per day, the efficiency of the fleet was adversely affected.

COMPANY BACKGROUND

A trucking company, operating in 48 states, grew its fleet to 23 sleeper tractors and 35 flatbed trailers.

While they have been successful for the last 40 years, they were significantly impacted by the recent electronic logging device (ELD) mandate and needed to make financial and operational changes in order to sustain operation of their current equipment.

In addition, a few of their long-term drivers decided to retire, rather than comply with the new regulations, forcing the company to park usable equipment.

Finally, the company was hauling at contracted rates which did not factor in the loss of productivity. This loss of productivity squeezed the company’s cash flow and weakened their financial statements, making it difficult to borrow for repairs and new replacement equipment.

Solution

After meeting with the trucking company, a representative from CCG recommended a transaction that:

- Paid off 5 tractor and trailer loans from other lenders, consolidating them into one monthly payment with CCG
- Established new terms, providing more flexibility for the company
- Refinanced some older, free and clear equipment for the company, providing cash out to fund two engine replacements and future down payments on tractor and trailer purchases

In addition to lowering their monthly payments by financing their equipment with CCG, the company has since re-negotiated their freight rates with their long-term shippers and hired new drivers. The principal no longer worries about making payroll, all their equipment is in good running condition, creditors are happy, and the company now has the cash down payment to purchase new tractors and trailers over the next few months.

Equipment: Sleeper Trucks and Flatbed Trailers

Industry: Transportation

Location: Northeast

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