Focus

TRUCKING

Issue Sponsor:

AI
IN THE TRUCKING INDUSTRY

Forget about self-driving; the real value of artificial intelligence in trucking has nothing to do with replacing drivers.

It is hard to go online without seeing "AI," or artificial intelligence, everywhere. On the hype-o-meter scale of 1 to 10, AI is about a 100 right now. It seems that nearly every day, another company is touting that they are using AI to change the world. It is not all that different in trucking, especially when it comes to self-driving. Although we could fill up this entire section with a conversation on self-driving, AI, and trucking, let's talk about how AI matters in the non-self-driving part of trucking — which I think is much more interesting.

First, a small primer on AI. At its core, AI is just a mathematically driven prediction model — albeit a very complex one that, up until five years ago, required a super-computer and trillions of complex mathematical calculations. This is why you hear so much about AI now, because you don't need a super-computer anymore.

Prediction models are nothing new; they have been around for centuries using legacy statistical methods. Every time a truck picks up a new load, some computer process or person has "predicted" that the load is going to make money for the trucking company — even though you don't know if weather, maintenance or any of hundreds of things could affect how profitable that trip is.

What makes AI different from legacy statistical models is how many inputs can inform the prediction. I know that last sentence probably made no sense, but stay with me here. Once you have an "a-ha" moment on what AI is, you will see its potential in a whole new light.

In any prediction model, you take a set of inputs and use those to generate some kind of prediction. For example, with the weather, you can take yesterday's temperature, barometric pressure and precipitation to predict what today's weather will be. That is a fairly simple model. Each of these inputs will inform what the predicted output will be, in this case whether (pun intended!) it will rain or not. The challenge with legacy statistical models is that with each new input, your model becomes exponentially more complex — so you are limited on how many inputs you can use.

In the case of the weather, super-computers and AI started being used decades ago because there were so many inputs: not just the weather yesterday, but how about the weather last year, the year before and decades of historical weather data; the direction of the wind yesterday, last year and 50 years back; the weather a few hundred miles away; the weather the day before yesterday, and the day before that, and on and on. Pretty soon there are thousands of inputs that can be used to predict the weather. You can't have that many inputs in a legacy statistical model — it is just too complex to manage. With AI,

" ... new technologies like AI will enable trucking companies to deliver more loads faster and more safely — and leading trucking companies are already starting to gather their data in a way that can leverage AI. If you have thought AI doesn't apply to trucking, it might be time to think again and position your company to be ready — because your competition is already doing that."

CORY LINTON

Utah's *Voice in* TRUCKING

UTAH TRUCKING ASSOCIATION

The Mission:

The Utah Trucking Association is committed to providing the leadership, representation and education necessary to support its members in fulfilling their mission in the secure movement of America's freight. Providing well-trained and safe drivers, running profitable companies, and being responsible citizens in the communities of Utah and the Nation.

Valued Services with Membership:

Discounts on UTA Hosted Seminars:
 Drug/Alcohol Supervisor Training
 DOT Compliance
 Log Book Training
 HazMat
 Brake Certificaiton
 Quickbooks
 401k Advisory
 Health Insurance Advisory

Discounts on Supplies/Forms:
 Log Books
 Vehicle Inspection Reports
 Federal Regulations Manuals
 Placards
 Medical Forms
 Emergency Response Guidebooks

Industry Publications and Website:
 Weekly Newsletter- "Truckin' Hot News"
 Bi-monthly magazine- "Utah's Voice in Trucking"

Advocating for the Utah trucking industry:
 Utah State Legislature
 Governor's Office
 Federal Congress and Senate bodies

Discounts on Services:
 Discount on Workman's Compensation premiums
 Association Employer Sponsored 401k Plan
 J.J.Keller Regulatory and Compliance Products
 Discounts on UPS Shipping
 Discount on Xilac Phone Systems
 Discount on NetWize, Hardware and Software Support

Events:
 Annual Management Conference & Expo
 Safety Awards Banquet
 Driver Awards Banquet
 Safety Management Council Meeting
 Trucking Driving Championship
 Monthly meetings in Southern, Northern and Basin Utah

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We post almost daily to our Facebook and Twitter feed information we know will be useful to our members. We have over 500 members and we are growing every day.

TRUCKING COMPANIES
Ranked by Number Of Power Units 2018

THE List

List Development Laneace Gregersen | laneace@slenterprise.com

	Company Name Address	Phone Web	No. Power Units 2018	Gross Utah Sales 2018	Number of Flatbeds	Number of Refrigerated Vans	Number of Tank Trailers	Number of Dry Vans	Full-Load Carrier?	Less-Than-Truckload Carrier?	2018 Miles	No. of Utah Employees	President/CEO
1	**C.R. England Inc.** 4701 W. 2100 S. SLC, UT 84120	800-453-8826 crengland.com	4,168	$1.6B	80	1,622	0	1,096	Y	Y	503.2M	1,500	Dan England Chairman Chad England CEO Josh England President
2	**Pride Transport Inc.** 5499 W. 2455 S. SLC, UT 84120	801-972-8890 pridetransport.com	510	$139M	0	850	0	30	Y	Y	54.5M	625	Jay England CEO
3	**LW Miller Cos.** 1050 W. 200 N. Logan, UT 84321	435-753-8350 lwmiller.com	150	$47.3M	0	80	60	0	Y	*	16.3M	275	Larry W. Miller
4	**Godfrey Trucking Inc.** 6173 W. 2110 S. West Valley City, UT 84128	801-972-0660 godfreytrucking.com	115	*	15	0	*	300	Y	Y	11M	100	Scott Godfrey
5	**Sharp Transportation Inc.** 390 N. 900 E. Wellsville, UT 84339	435-245-6053 sharptrucking.com	105	$27.1M	0	70	0	215	Y	Y	9.8M	125	Zan Sharp
6	**James H. Clark & Son Inc.** 4100 S. 663 W. SLC, UT 84123	801-266-9322 jameshclark.com	100	$20M	0	135	*	2	Y	N	10M	135	Gregory D. McCandless
7	**Sinclair Trucking Co.** 550 E. South Temple SLC, UT 84102	801-524-2700 sinclairoil.com	91	$3.95M	0	0	122	0	Y	N	6.8M	24	Mark Petersen President
8	**Double D Distribution Inc.** 1550 S. Distribution Drive SLC, UT 84104	801-364-6565 doubleddistribution.com	36	*	2	1	90	10	Y	Y	3.4M	40	Mark Droubay
9	**Bakston Freight Systems Inc.** 1522 E. Commerce Drive St. George, UT 84790	435-673-7971 bakston.com	*	$2.7M	0	0	0	40	Y	Y	400K	22	*
10	**Geodyne Transport** 1235 S. 3200 W. SLC, UT 84104	801-575-1110 geodyne.net	*	$7M	0	12	87	0	Y	N	2M	27	Jaden Kemp
11	**Halbersleben Trucking** 2875 So. Main St. SLC, UT 84115	801-928-2345 shipht.com	*	*	0	106	0	12	Y	N	*	18	Rich Halbersleben
12	**New Prime Inc.** 3720 W. 800 S. SLC, UT 84104	417-866-0001 primeinc.com	*	*	1,273	9,612	486	0	Y	N	*	1,694	Robert Low
13	**Parke Cox Trucking Co. Inc.** P.O. Box 911717 St. George, UT 84791	435-628-0886 coxtrucking.com	*	*	23	0	0	199	Y	Y	8.7M	118	Donald L. Cox David P. Cox

Enterprise UTAH'S BUSINESS JOURNAL

GRAHAM
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smartphone to record the meeting can be questionable.

So, how can you keep your attention on what you're hearing and recall it at the same time? Keyword notetaking helps. Instead of trying to jot down even four or five words at a time, let alone sentences, just one or two keywords aid recall later.

Rule No. 4. Use "rewind reviews." Missing essential information or getting it wrong undermines a marketer or salesperson's credibility — and the chances of make the sale.

An effective way to avoid such unnecessary mishaps is the "rewind review." You might say, "I want to be sure I understand what you're telling me, so let me put in my own words. Correct me if I get it wrong." This not only will help get it right, but it sends the message that you're a serious listener.

The battle for the control of the minds of salespeople is relentless. "Don't give in. Don't let yourself think like a customer," they tell us. "It's our agenda and what we need to accomplish that counts." At the same time, we are told to put the customer first. But those are just words that don't ring true with customers unless we think like them.
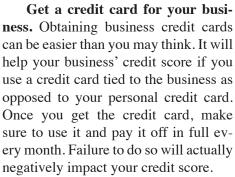
John Graham of GrahamComm is a marketing and sales strategy consultant and business writer. He is the creator of "Magnet Marketing," and publishes a free monthly e-bulletin, "No Nonsense Marketing & Sales Ideas." Contact him at jgraham@grahamcomm.com.

THE KEY TO SUCCESS

The success of your trucking company may depend on building and maintaining a good credit rating

Oh, no! You need a loan to help improve your cash flow or make a large purchase — like getting a new trailer — and your business' credit score is too low for you to be approved. What can you do?

The good news is this is not a permanent situation. You can take steps today to improve it. One key thing to remember, though, is it will not happen overnight and it will take time and multiple tactics to see proof of your efforts.

JEREMY ROBISON

Get a credit card for your business. Obtaining business credit cards can be easier than you may think. It will help your business' credit score if you use a credit card tied to the business as opposed to your personal credit card. Once you get the credit card, make sure to use it and pay it off in full every month. Failure to do so will actually negatively impact your credit score.

Separate your credit and financials from your business. Separating your personal credit from your business is essential for many reasons, one of which is that if your personal credit is less than perfect, it can bring down your business' overall score. So, take steps to separate your finances by only having personal bills come in your name and company bills come to the business.

Pay your bills on time or early. This is one of the most significant factors weighing on your credit score. The earlier you pay your bills, the higher the rating you receive, so always aim to pay your bills in full in advance of the due dates.

Setting up payment reminders can also help to ensure you will pay your bills before they are past due. There are easy ways to ensure you see the reminders even when you are on the road, such as setting up calendar reminders on your phone or payment reminders through your bank.

Monitor and check your credit report. It is essential to make sure things are being reported to the credit agencies correctly and the only way to ensure that is happening is if you monitor and check your credit reports. Several websites offer credit monitoring and checking for low to no cost. A simple Google search can help you get started.

Don't overextend your credit. The credit bureaus check to make sure your debt-to-equity ratio is not overextended. If they believe that it is, your credit score will be negatively impacted. So, what can you do? It could be helpful to limit the number of credit cards and loans you have, sticking with just what you truly need and not just applying for a credit card because of a good initial offer. Additionally, not maintaining high balances on your existing credit cards will help your debt-to-equity ratio.

In addition to these steps that you can take to build and improve your business' credit score, there are things you can do to improve your cash flow getting you access to the cash you need when you need it. These can be good options for trucking companies to gain access to the funds they need while they build their credit as you don't need perfect credit to be approved:

Freight bill factoring. When you partner with a freight bill factoring company, they will pay you immediately for your freight bills. All you have to do is deliver your load, submit your freight bill to the factoring company, and then you get paid, eliminating the 30-day to 60-day — or more — wait for your customers to pay.

When looking for a freight bill factoring company, make sure to look for one that will act as a true partner and has your best interest in mind. To ensure this, look for factoring companies with no hidden fees, no application fees and no-cost, back-office support services including invoicing, processing, postage, collecting, credit checks and more.

Equipment leases. There are several different types of equipment leases you can take advantage of that can structure your payments in a way to increase your cash flow. From lowering your monthly payments to allowing for seasonal fluctuation in payment amounts, there is sure to be one that can benefit your business.

The key is to find an equipment leasing partner with an experienced team who will listen to your needs and customize a lease that addresses all of your business needs.

By taking these steps, you will be on the road to improving your business' credit score. Unfortunately, it won't happen overnight but might not take as long as you feared it could, either. There are options to bridge the gap in the meantime.

Jeremy Robison is president at Tetra Capital, an independent finance company offering freight bill factoring services to trucking companies of all sizes. His website is www.tetracapital.com.

LOGISTICS COMPANIES

Ranked by Number of Full-Time Utah Employees

THE List

List Development Laneace Gregersen I laneace@slenterprise.com

	Company Name Address	Phone Web	Number of Utah Employees	2018 Revenue	Services Offered	Industries Served	Notable Clients	Year Est.	Owner
1	England Logistics 1325 S. 4700 W. SLC, UT 84104	801-656-4500 englandlogistics.com	385	$509M	Non-asset based transportation solutions	FTL, LTL, SCM, cold chain, intermodal, parcel	*	1997	Jason Beardall
2	Data2Logistics LLC 7090 Union Park Ave. Midvale, UT 84047	801-287-8400 data2logistics.com	98	$20M	Freight audit & payment, logistics, professional services	We service clients in all industries	Cisco Systems, Navistar, United Technologies,	1962	Platinum Equity LLC
3	Godfrey Trucking 6173 W. 2100 S. West Valley City, UT 84123	801-972-0660 godfreytrucking .com	95	*	Full logistics & transportation of goods	All industries needing logistics or shipping	R.C. Willey, Post	1965	Scott Godfrey
4	Arrow Moving & Storage Co. of Utah 3960 S. 300 W. SLC, UT 84107	801-263-5342 arrowmoving.net	42	$4.75M	Moving, relocation, warehousing, logistics, first/last mile	Residential, commercial, hospitality, logistics	U.S. Dept. of Justice, University of Utah, Hill AFB	2000	David Ottoes President
5	DST Distributors Inc. 444 W. Spring Creek Place Springville, UT 84663	801 491-3781 dstdistributorsinc .com	35	$8.2M	Trucking, warehouse & storage	Packaging, bottling, warehouse solutions	*	1986	D. Scott Tollestrup
6	Bakston Freight Systems Inc. 1522 E. Commerce Drive St. George, UT 84790	435-673-7971 bakston.com	17	$3.1M	LTL trucking	*	*	2000	Jed S. Johnston
7	Sharp Logistics Inc. 390 N. 900 E. Wellsville, UT 84339	435-245-6053 sharptrucking.com	9	$23.5M	Brokerage/logistics	Food, beverage, packaging, sporting goods	Industrial Container, Quality Container, Price Container, Little Dutch Boy, Aaron Packaging, Marco Polo	2003	Zan Sharp
8	DMC Logistics LLC 4980 W. Amelia Earhart Drive SLC, UT 84116	801-355-8991 dmc-logistics.com	*	*	Same/next day, scheduled on-demand, conjunctive, dedicated, distribution, line hauls, 3PL partnering	National retail, wholesale pharmaceuticals, payroll, finance and medical lab specimen industries	*	2003	Stephen A. Griego President/CEO
9	New Prime Inc. 3720 W. 800 S. SLC, UT 84104	417-866-0001 primeinc.com	*	*	Transportation	Reefer, flatbed, tanker, intermodal	*	1970	Robert E. Low

THE Enterprise UTAH'S BUSINESS JOURNAL

CALENDAR

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June 28, 9-10 a.m.

Pitch Clinic, a West Jordan Chamber of Commerce event for business development professionals to hone their skills in delivering a powerful elevator pitch. Location is Mountain America Credit Union, 3065 W. 5400 S., Taylorsville. Free for chamber members, $10 for nonmembers. Details are at westjordanchamber.com.

June 28, noon-1 p.m.

Women in Business Brown Bag Lunch, a West Jordan Chamber of Commerce event. Location is Residence Inn, 7558 S. Plaza Center Drive, West Jordan. Free. Details are at westjordanchamber.com.

July 2, 11:30 a.m.-1 p.m.

Business Alliance Networking Luncheon, a Davis Chamber of Commerce event. Location is Boondocks Fun Center, 525 Deseret Drive, Kaysville. Free. No RSVP required. Details are at davischamberofcommerce.com.

July 5, 8-10 a.m.

First Friday Face-to-Face, a West Jordan Chamber of Commerce business-to-business networking event. Location is the Megaplex Theatres at The District, 3761 W. Parkway Plaza Drive, South Jordan. Free. Details are at http://firstfridaysnetworking.com/.

July 5, 8:30-11:30 a.m.

"Grow Your Business: Phase I," a Small Business Development Center (SBDC) event. Location is the Orem SBDC, Utah Valley University, 815 W. 1250 S., Orem. Details are at https://utahsbdc.org/trainings.

July 9, 10-11:30 a.m.

"How to Become a Leader People Will Follow," a West Jordan Chamber of Commerce event. Location is Mountain America Credit Union, 3065 W. 5400 S., Taylorsville. Free for chamber members, $10 for nonmembers. Details are at westjordanchamber.com.

July 10, 5-7 p.m.

Business After Hours, an Ogden-Weber Chamber of Commerce networking event. Location is Ogden Pioneer Days Stadium, 668 17th St., Ogden. Free for chamber members and first-time guests. Details are at ogdenweberchamber.com.

July 11, 8-11:30 a.m.

"Diversity, Inclusion and Unconscious Bias," an Employers Council event. Location is Employers Council, Utah office, 175 W. 200 S., Suite 2005, Salt Lake City. Cost is $145. Details are at employerscouncil.org.

July 11, 6:30-8:30 p.m.

"How to Read Financial Statements and Metrics," a SCORE event. Location is Sandy City Library, 10100 S. Petunia Way, Sandy. Details are at https://www.sba.gov/event/1634214.

July 11, 6:30-8:30 p.m.

Small Business Roundtable, a SCORE event. Location is Sandy City Library, 10100 Petunia Way, Sandy. Details are at https://www.sba.gov/event/1635899.

July 12, 7:45-9 a.m.

Women in Business Networking, an Ogden-Weber Chamber of Commerce event. Location is Weber Center, first floor, 2380 Washington Blvd., Ogden. Free for WIB members. Details are at ogdenweberchamber.com.

July 13, 10 a.m.-1 p.m.

"Simple Steps for Growing Your Business," a SCORE event in Spanish. Location is Day-Riverside Library, 1575 W. 1000 N., Salt Lake City. Free. Details are at https://utahsbdc.org/trainings.

AI

though, it is a different story — you can have hundreds, thousands, even hundreds of thousands of inputs in your prediction model.

Think about that for a second. Predicting anything is very difficult because life is complex and there are hundreds and thousands of factors that affect everything. Until AI, there was not a way to take into account all of those factors. With AI, though, we can now predict things that were not predictable before.

So why does all this matter to trucking? Well, simply put, trucking is one of the most complex industries in the world. Think of a simple thing like picking which load to pick up after you have dropped off a certain load. Wouldn't you just take a load that is close to the one you dropped off? Well, it depends; maybe that load is going to a city that has a bad spot market right now, maybe the driver needs to get home for a certain event, maybe the

truck needs maintenance, maybe the weather risk is really bad in a certain part of the country even though the rates are really good. Just that decision alone is super-complex, with numerous factors that have to be considered. Now, take a company that is doing that for 30-40 (or even hundreds of) trucks every day — how do they decided the best assignments to make?

Because assigning loads to drivers is so complex, mathematicians call it a combinatorial optimization problem — which means that there are literally an infinite number of possible solutions. Because there are so many factors (i.e., inputs) that can affect the ultimate success and profitability of a certain trip, AI is uniquely capable of helping to solve that problem.

Trucking is unique in that there are many problems of significant complexity: In addition to assigning loads to drivers, deciding on optimal maintenance schedules, balancing time on the road versus lowest cost operating speed (i.e., if you go faster and drop off the load sooner, will that ultimately make you more

money?), predicting how long it will take to deliver a certain load — and the list goes on and on.
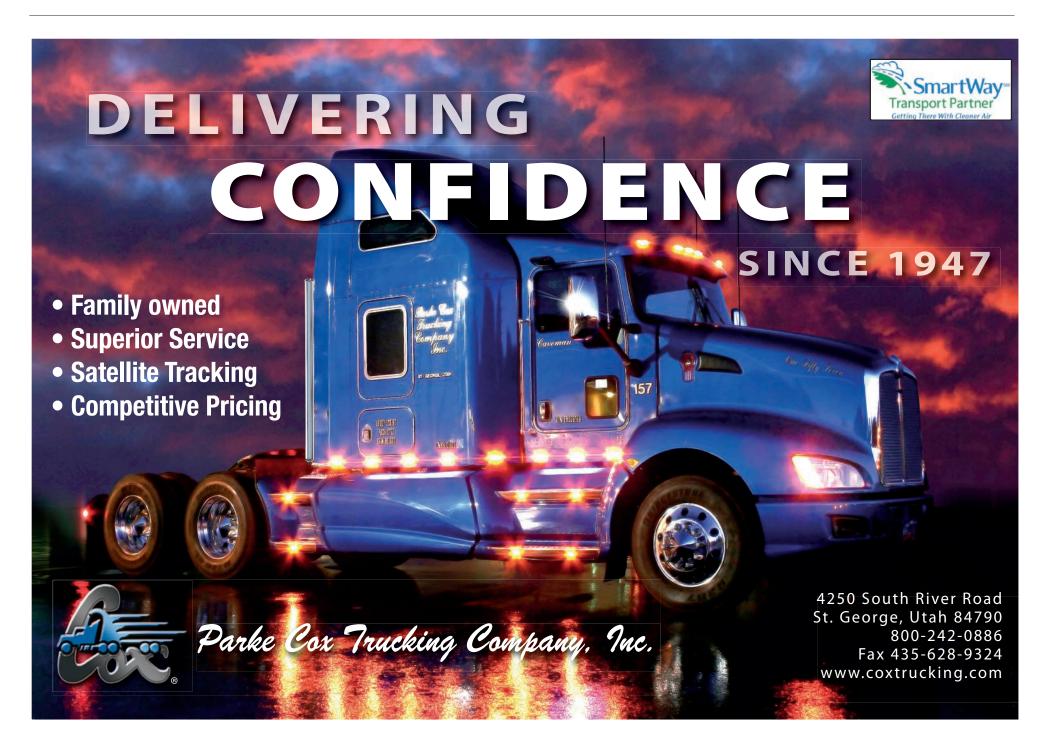
Now, you can't just throw all this data at an AI engine and have it tell you the answer; it is much more complex than that. You have to gather very large amounts of historical data and "train" the AI to the outputs (in this case, profitability and productivity) that you want. For example, what were all the possible load assignments over the past year, what was chosen, and how did each of those trips turn out? Gathering that data (if it even exists) takes a lot of time and organization. In fact, the biggest challenge of many AI projects is getting the right data so that you can effectively use AI to solve your problem.

Over the coming years, you will see AI take a bigger and bigger role in trucking. The current driver shortage only increases the pressure to have AI solutions help companies be more efficient to make up for not being able to hire enough drivers. In one study, a company's average daily mileage was 465 miles per day, yet their top drivers were

averaging 650 miles per day — and there was no noticeable difference in the loads assigned or the routes taken. Imagine if that company could get every driver producing 650 miles per day. They could do the same number of loads with significantly fewer drivers, which goes a long way toward addressing the significant driver shortage problem in trucking.

It is an exciting time to be in trucking. The demand to move goods and supplies across the road has never been higher. At the same time, new technologies like AI will enable trucking companies to deliver more loads faster and more safely — and leading trucking companies are already starting to gather their data in a way that can leverage AI. If you have thought AI doesn't apply to trucking, it might be time to think again and position your company to be ready — because your competition is already doing that.

Cory Linton is the CEO of Edify.ai, a Utah software company that is using artificial intelligence to help trucking companies maximize efficiency and productivity. He can be reached at cory.linton@edify.ai.