

# Mutual benefits

## Mutual Materials, working with Penske, has joined the SmartWay program and driven significant costs out of its fleet operations

**E**ven before Mutual Materials management knew the SmartWay program existed, they were taking aggressive steps to reduce their fleet's fuel consumption. The Bellevue, Washington-based manufacturer and distributor of masonry and hardscape products, which runs a fleet of 42 trucks in the Pacific Northwest and up into Canada, began in 2010 to take a hard look at its fleet and the emissions it created as part of a broader environmental initiative.

"It really began with our president, Kendall Anderegg, back in 2010 following a collaborative strategic analysis and planning process that resulted in a new company vision focused on four core strategic pillars. Being environmentally responsible with sustainable business practices and eco-friendly products emerged as one of the four pillars, which in turn elevated our fleet efficiency and emissions reduction into a strategic initiative" said Mike Jones, director of distribution and branch operations, Mutual Materials.

Since then, the company invested in fleet efficiency resulting in improved fleet-wide fuel mileage by 22%, slashing its fuel consumption by 536,000 gallons while significantly increasing its tonnage hauled. This was achieved by moving to low rolling resistance tires, spec'ing lighter-weight aluminum wheels and automatic transmissions, and downsizing and governing the engines.

But it wasn't until May 2014, when Mutual Materials attended the ACT (Alternative Clean Transportation) Expo in Long Beach, Calif. that the company learned of the SmartWay program, from Penske Truck Leasing. SmartWay is an internationally recognized program that brings together like-minded companies who aim to improve their fleet emissions performance and fuel efficiency on an ongoing basis and contribute to a sustainable freight industry. To support members, SmartWay offers a free, standardized approach for monitoring and tracking emissions as well as reports to help benchmark company performance.

Penske leases to Mutual Materials a portion of its fleet, and suggested the company formalize its environmental initiatives through the SmartWay program, since it was already doing much of what the SmartWay program fosters. Helping smaller fleets reduce their cost of operation through improved fuel mileage is one way Penske looks to serve its customers.

"That's really what our business model is," said Andrew Cullen, senior vice-president of fuels and facility services



with Penske. "Helping our customers, understanding their business and helping them spec'

their vehicles to meet their needs and then trying to continually optimize the operations of the vehicles. It really just plays in with the goals of the SmartWay program."

Penske introduced tractors with 53-ft. trailers into the Mutual Materials fleet, which had predominantly been made up of truck-trailer configurations. The trucks were spec'd to save weight and the trailers were equipped with liftable tag axles to reduce rolling resistance when empty. Mutual Materials also introduced route optimization software that allowed it to increase the efficiency of its dispatch and move from eight dispatchers to five.

"All of this has helped drive down the company's operating costs. We lowered our net operating cost of the fleet as a percentage of our sales by over 25.6%," Jones said.

This accomplishment has not gone unnoticed by Mutual Materials' customers, many of which are big box retailers such as Home Depot and Walmart, companies that are also SmartWay members. "The SmartWay partnership has been a great tool for us," Jones said. "It fits with who we are as a company and with our values."

## GREEN to GOLD

Mutual Materials' commitment to the environment extends beyond the truck fleet, to the products it sells and how they are made. Jones said the company's products contain recycled post-industrial product and many of its pavers are permeable, allowing rainwater to soak through to the ground rather than being diverted to sewer systems. So greening the truck fleet was a natural progression. Still, changes had to be well communicated to drivers, according to fleet manager Tim Johnson.

"At first there was some resistance from our drivers, because we basically had the same truck configuration at that time for over 14 years," he explained. "They were used to big horsepower and being in control with making the gear selections themselves. When we switched to less horsepower (525 hp to 455 hp) and automatic transmissions, there was a lot of resistance. But once we started charting it and showing them the savings and they saw how easy they were to drive and how less frequently they were in the shop being fixed, it really started to get buy-in."

Drivers, who are paid by the hour, came to appreciate the more relaxed pace and safer environment that resulted from limiting top speed and automating the shifting. Semi-annual drivers' meetings are held to emphasize fuel economy and promote fuel-efficient driving practices and drivers are kept apprised of their performance.

However, when greening the fleet, Johnson warned that individual changes to the spec' can't be made without considering the implications on downstream components. He recalls a time when the engine supplier reduced engine speed by 100 rpm, without considering the impact that would have on other components.

"Now we had to go back to the drawing board and factor in engine rpm all the way through to the tire to make sure we still had the right gear ratio to maintain the sweet spot where our engine runs," Johnson said. Each year we have to visit specs because a small change in the engine or transmission can make a difference on the outcome on the other end. A spec' is very important and each year it's the same journey; you have to go over that same spec' again." When spec'ing equipment, Mutual Materials appreciates being able to tap into the knowledge and economies of scale that Penske provides.

"They continue to help us out in a lot of different areas," Johnson said of Penske. "As a smaller company, it can be hard to get warranty repairs from manufacturers. With Penske's greater buying power, plus a team dedicated to fighting for warranty and policy in repairs, they smoothly handle our work orders to the maximum allowed policy they can get."

A next step for Mutual Materials environmental focus, according to Jones, is to explore how the company can convert some or all of its fleet to run off cleaner-burning natural gas.

"We have 10 manufacturing plants throughout the Pacific Northwest and in Canada and all of those plants run off natural gas," Jones said. "One of the things we're really looking at doing is being able to leverage that natural gas. We'd like to compress it into CNG to run our fleet between our distribution points."



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