

Fast Way Transport expects long-haul growth

Younger of two companies could double its revenue within the next five years

By Rocky Wilson
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Spokane-based Fast Way Freight System Inc. has increased its sales every year since Jeff Bosma and a former partner bought the company and renamed it in 1993, but a second company created by Bosma and two others in 2001, called Fast Way Transport Inc., is generating even stronger growth.

Fast Way Freight, launched in 1965 and previously called Fastest Way Motor Freight, is a limited-truckload hauler that primarily serves Eastern Washington and North Idaho, while Fast Way Transport is a full-truckload hauler that transports cargo to the 48 states and Canada.

"Revenue figures for Fast Way Transport have grown about 40 percent every year since 2001," says Mark Barnes, who became co-owner of Fast Way Freight with Bosma in 1998. Barnes also owns Fast Way Transport with Bosma and Howard Nichols, that company's president who handles its day-to-day operations.

Bosma says each company currently has annual revenue of about \$4 million.

Bosma, Barnes, and Nichols expect that Fast Way Transport will grow faster than Fast Way Freight for some time to come.

Over the next five years, Transport will more than double the number of trucks it sends out on the road to about 50, and will increase its annual revenue to about \$8 million to \$10 million, estimates Nichols.

Bosma, on the other hand, expects Fast Way Freight to maintain the same size fleet that it has now, 29 trucks and 75 trailers, over those five years, and to increase its revenue by about 10 percent annually.

Barnes says, "The local market that Fast Way Freight serves is more of a niche market and doesn't have as much room for growth, but with the long haul there's no limit."

Fast Way Freight currently employs about 40 people and Fast Way Transport employs 10, but that compa-



Mark Barnes, left, and Jeff Bosma are co-owners of Fast Way Freight and two of three owners of Fast Way Transport.

ny hires an additional 15 owner-operators who drive their own trucks.

Barnes, who focuses his energy on sales, says Fast Way Freight generates about 45,000 shipments a year from about 400 customers, compared with about 2,000 shipments from 400 customers for Transport.

Yet, because Transport's trucks are full and are going longer distances, "The revenue is a lot higher for each Transport load," Barnes says.

The trucking industry is changing rapidly, making it important to keep abreast of technological advancement, says Bosma. That's why he and Barnes invested in and helped create a new Spokane company, Pentad Systems LLC, in 2003. Among other services, Pentad helps those two companies and others track freight documents and truck locations on the Internet.

Fuel prices also have been an industry concern, says Bosma, although he notes that Spokane diesel prices have come down substantially in recent weeks from a high of \$3.26 per gallon.

Fuel surcharges, which trucking companies add to their standard freight rates to offset rising fuel costs, are standard in the industry today, whether they're tacked on to a total freight bill or added on a per-mile basis. Those sur-

charges can vary between trucking companies, and sometimes between customers.

"Sometimes the big companies will dictate the surcharge rate to you," Barnes says.

Nichols says the U.S. Department of Energy releases regional diesel prices every Tuesday morning, and the two Fast Way companies use those numbers to determine their surcharges for the following week.

Another industry challenge is a nationwide shortage of truck drivers, Bosma says. "There are more than 20,000 empty truck-driving positions in the U.S. every day," he says.

Nichols says, "There has always been a shortage of good drivers, but now there is a shortage of drivers as a whole."

Fast Way Freight and Fast Way Transport are addressing that problem by offering competitive wage packages, by giving drivers more dedicated runs to assure they will be home on certain days of the week, and by providing better maintenance of its trucks, Nichols says.

After taxes, drivers for the two companies take home between \$3,000 and \$4,000 a month, say Nichols and Bosma.

Yet, possibly the industry's biggest challenge is posed by federal exhaust emission laws imposed in 2002 that will become increasingly more stringent until 2010, Bosma says.

"It's a good thing," he says. "We all want cleaner air. Yet, we still want the products available in stores, and clean air is expensive."

While it cost about \$5,000 to meet 2002 federal emission standards for each large truck, meeting standards that are scheduled to go into effect in January 2007 and again in 2010 will be higher than that, says Bosma. He estimates the 2007 standards will cost an additional \$5,000 to \$15,000 per truck, and even stricter regulations set for 2010 will cost from \$15,000 to \$25,000 beyond that.

Regulations in California are stricter than federal standards, and cover every truck that enters that state, Bosma says.

Fast Way Freight and Fast Way Transport share dock and office space with four other trucking companies at 1001 N. Havana. Between them, the two companies employ flatbed trucks, dry vans, refrigeration trucks, and specialty "lowboy" trailers to carry heavy equipment. Their fleets include no tanker trucks, Bosma says.

Nearly 100 trucks work out of the seven-acre site on North Havana that also is the home of the Spokane offices of Peninsula Truck Lines Inc., Roadway Express Inc., Midwest Motor Express, and ABF Freight System Inc.

Bosma says the two Fast Way companies occupy about 6,000 square feet of dock space in a 30,000-square-foot building that services the shipping campus, and some 3,500 square feet of the roughly 8,000 square feet of office space there.

Partners and brokers

Fast Way Freight routinely works with partners who are willing to take limited truckloads farther than Fast Way Freight's normal Eastern Washington-Idaho coverage area. Those other haulers might include the other shipping companies at its North Havana headquarters or others.

From Fast Way Freight's perspective, though, there isn't much competition between the companies there, Bosma says. Though all, with the exception of Transport, carry less than full loads, they don't all serve the same markets.

"We're like the Swiss," Bosma says of Fast Way Freight. "We deal with all of them, and none of them (at 1001 N. Havana) want to go to Bonners Ferry."

Fast Way Freight will pick up orders and deliver them directly to destinations in its coverage area, or often drive the cargo to Spokane, where it will be transferred to a second carrier who'll normally take it where it needs to go, says Bosma.

Calls seeking service through Fast Way Freight and Fast Way Transport are channeled through office staff members who regularly give quotes over the phone.

The need to contact other carriers especially comes into play for international air and ocean deliveries when special charges might apply, Barnes says.

In addition, Fast Way Transport uses freight brokers both to generate additional loads when its trucks are away from home, to seek cargo for a return trip to Spokane, and to find other carriers for its clients if Transport's trucks aren't available.

"Without brokers, if our trucks were busy we would have to tell the customer we couldn't fill their order," says Barnes. "If we tell them 'no,' we could lose their business, and they might not call us again."

Nichols says the two companies are able to meet the needs of most clients. "If someone needs freight hauled, we'll find a way to do it," he says.

Other than materials that must be carried in a tanker truck, or substantial volumes of hazardous materials, the two companies haul almost anything, including a solar-powered canoe that Fast Way Transport hauled to New Hampshire and back for Washington State University.

Some of their biggest customers are Potlatch Corp., of Spokane; Hearth & Home Technologies, a wood stove manufacturer in Colville; and WSU, which often asks the trucking companies to transport scientific equipment or books, Bosma says.