

WHEN THE RUBBER MEETS THE ROAD

Managing travel time is a never-ending problem for landscape managers. When does the clock start? How does travel time affect the total costs of the activity, the production, and people who are traveling?

by Philip D. Christian III

It is customary in our industry, as in others, for the workers to provide their own transportation to the job, and to travel on their own time. Once on the job, any additional travel required to perform their duties is paid for by the company.

Managing travel time in a business context then refers to the time required after we arrive at the workplace, or the time required for a mobile crew to move from one property to another.

When we travel, we are on the job but not actually working or performing a service.

The mobilization process requires extra time for loading and unloading and the purchase of special equipment on wheels to transport the equipment and people to the property site. We bring everything needed to render the service. All of this is part of the cost of the service.

The customer usually understands the cost of mobilizing our crews and equipment. It is the contractor who has problems rationalizing the costs of mobilization.

After all, riding in an air-conditioned crew cab truck listening to a Rolling Stones tape on the cassette player does not fit within our ethic of hard work. But getting the right people and equipment to the property in a timely manner is a valuable and expensive part of our service. In fact, the hours spent in travel time may be more expensive on a per-hour basis than the hours spent actually producing the work.

We tend to believe the costs do not begin until the real work begins. That is not true. What would it cost per customer if you loaded up three people, all the proper tools, drove 20 minutes to the property, unloaded everything, and got ready to work but

did nothing? Spend a few minutes reviewing the property you did nothing to, a few minutes with the customer, load everything and everyone back up, and then stop the stopwatch. You will find you have spent a better portion of an hour just getting ready to do the "real work."

Pricing an hour

Let's look at the costs of that hour.

Properly loading and unloading the equipment is "real work" and requires everyone on the crew. It also requires some skill. (Remember the damage to the equipment when it is improperly handled.)

Transporting the equipment and crew to and from the properties requires the use of the most expensive equipment we own, the truck and trailer. When purchase price, maintenance, insurance and licenses of the truck and trailer are added, we find



Travel to and from the work site may be more expensive on a per-hour basis than the hours spent actually producing the work, according to the author.

they are by far the most expensive pieces of equipment we own based on annual cost. During transit, they are consuming more gas, using more tires, and wearing out more parts than any other piece of landscape maintenance equipment we own. The equipment being hauled by truck and trailer is also subject to travel wear.

In some cases, transport wear can be more expensive than the wear-and-tear on the small gasoline engines when they are in use.

Estimating time

The cost of travel time confuses the estimating process unless it is isolated so the estimator can judge the real impact on the project. The larger the job, of course, the less it is affected by travel time. You may be very competitive out of your immediate geographic area if you do not allow travel time to artificially inflate the cost.

We recommend that you estimate the cost of maintaining a property as though it were next door to, or within 15 minutes of your shop. Then add as a separate item travel time.

The estimator can calculate the number of trips required to complete the landscape services, then project the number of people on the crew, and

he or she will know exactly how long it will take to transport the people and equipment from the shop to the property or from one property to the next.

visits to site
 X # people per visit
 X hours to and from per visit
 X average man-hour wages

= \$ PER YEAR FOR TRAVEL

Most successful contractors use the same hourly price for travel (see equation) as they do for performing the "real work" on the property.

Production effects

Production cannot be fairly judged or calculated unless one knows the average travel time and subtracts it from total man-hours spent in actual production.

In your man-hour tracking system, we recommend that you separate travel time on the time sheet so you have a sum total for travel time at year-end, to be compared to estimated travel time. Many production problems can be tracked to gradually increased travel time due to traffic, changes in routes and unnecessary stops during travel.

Some contractors in our industry believe they don't pay for travel because they deduct the estimated time required to travel from the on-clock time. They call that "production time" or "pay time."

The contractor explains to the crew that no one is paid for travel time except the crew chief or driver. The crew members have the option of providing their own transportation to and from the properties. If they prefer not to do that, the company will supply safe and comfortable transportation for them at no cost.

The first option is actually no option at all because it requires crew members to provide their own transportation, but they are still not paid travel time.

For example, the production manager has established an average pay of \$6.50 per hour for crew members. He or she defends this hourly wage by saying that is what it takes to get good people. Experience has shown that even \$5.50 an hour would not attract good people in their particular market. The production manager goes on to explain that there is keen competition for the few good people available in the market, and good help is hard to find.

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In this example, the typical crew spends 10 hours a day on the clock. Two hours is deducted for travel time. Actual pay is for eight hours a day or \$52.00 per day.

(If this "no pay for no travel" theory was applied to the lawn care industry, the average lawn specialist would only make \$16.50 per day. They spend 2.54 hours in actual production and 5.54 hours traveling two and from their stops.)

Dividing pay

I wonder if the production manager who is completely convinced that he or she must pay \$6.50 an hour to get acceptable workers knows that the workers divide their average income of \$52.00 a day by 10 hours, which equals an average income of \$5.20 an hour?

You see, everyone pays for travel time. Deducting that two hours for travel does not change the fact that workers are on the job for 10 hours per day. They were not on vacation doing what they would do on their own time.

The result of your "no pay for travel" thinking is that you have lowered the average income per hour from \$6.50 to \$5.20. By doing

this, you have inherited all the problems associated with paying below the competitive hourly rate and will surely experience low production, absenteeism and high turnover.

But that is not the limit to the downside of "no pay for no travel" thinking. Crew members are theoretically on their own time during travel; they may persuade the driver to stop between properties at the fast food locations and there is no incentive to make this a quick stop. In fact, if the stops could be prolonged, adding up to more than two hours, then the workers are actually being paid \$5.20 an hour for hanging out at the 7-11 store.

Rewarding sloth

Another theory: if you are only paid for the actual time worked, the slower you work, the more you are paid (i.e., if you work slower, the crew makes fewer stops per day, therefore less time is deducted for travel).

Workers do not usually think in such negative terms. But there is no incentive for increasing productivity when we don't pay our people for travel.

The "no pay for travel" thinking

lures us into the large crew mentality. When production managers believe that travel is free, they are often tempted to send large crews to "knock it out" when smaller crews would be much more efficient. Stay tuned for the large crew/small crew theory next month.

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