



# Department of Defense Maintenance Symposium

November 13, 2012  
Grand Rapids, MI



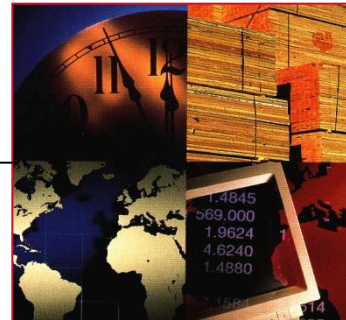
# Ryder Profile

## Fleet Management Solutions



## Supply Chain Solutions

Supply Chain Solutions



Dedicated Contract Carriage



2011 Revenue

\$6.1 Billion

Vehicles Maintained

210,600

Employees

27,500

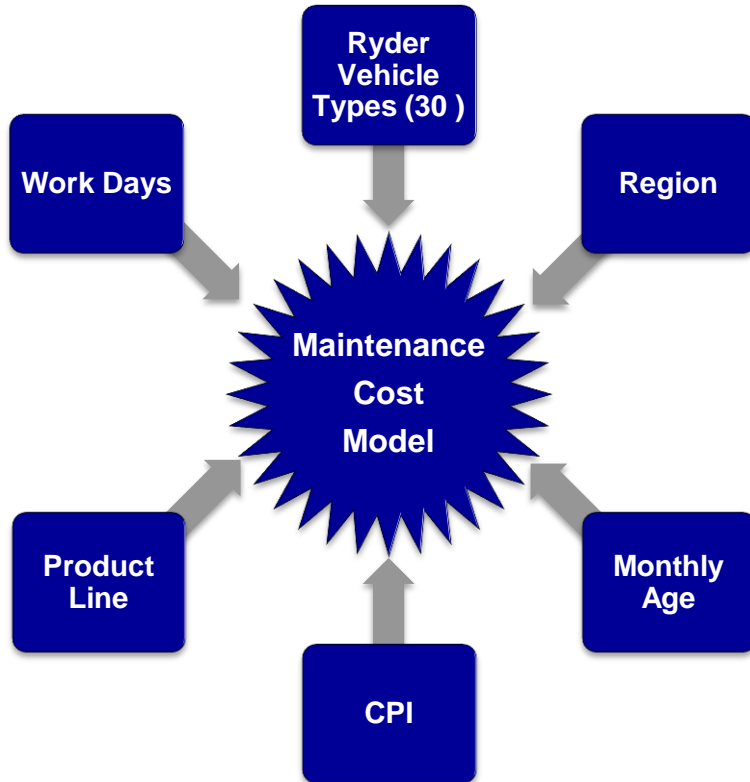
Technicians

4,200

Shops

800

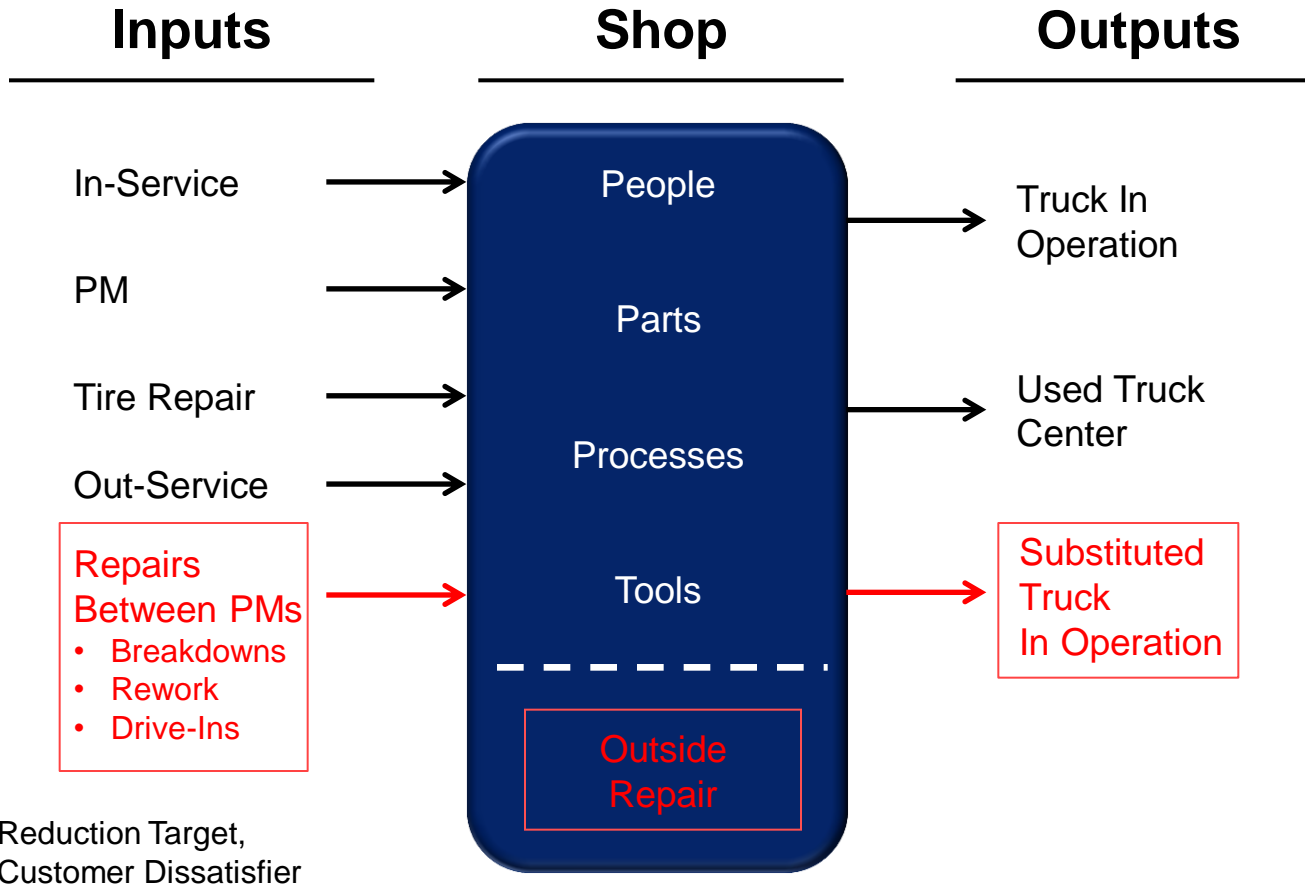
# Ryder Maintenance Cost Forecasting



- Proprietary model forecasting at vehicle and month age level
- Reports generated at Truck, Tractor, Trailer level by Region by Month
- Model includes:
  - Rolling 12 months moving average
  - Historical costs at a vehicle level (10 years)
  - 30 types of Ryder vehicles
  - Regional differences
  - Product line differences
  - Workday fluctuations
- CPI
  - Blended rate based on:
    - Expected labor cost increases
    - Contractually negotiated increases for parts, tires, oil

**2.1% Over Actual For 2011**  
**1.4% Over Actual For 2012 YTD**

# Shop Inputs and Outputs



**GOAL: Maximize truck uptime and reduce costs by minimizing repairs between PMs, outside repair and substitution**

# Maintenance Cost By Input Cost Driver

## Maintenance Cost Profile

|                               | 2011<br><u>Actual</u> |
|-------------------------------|-----------------------|
| PM & PM Follow-up             | 29%                   |
| Tire Repair                   | 13%                   |
| Out-Service                   | 5%                    |
| <b>Repairs Between PMs</b>    |                       |
| • Breakdowns                  | 5%                    |
| • Rework                      | 2%                    |
| • Drive-ins                   | 46%                   |
| <b>Sub-Total</b>              | <b>53%</b>            |
| <b>Total Maintenance Cost</b> | <b><u>100%</u></b>    |
| -----                         |                       |
| <b>Outside Repair</b>         | <b>14%</b>            |

**53% of maintenance cost incurred between PMs**

**Focused on increasing PM quality to reduce cost incurred between PMs**

**Improved PM quality increases truck uptime and increases shop capacity by reducing “chaos”**

Increases out-service capacity  
Reduces outside repair expense

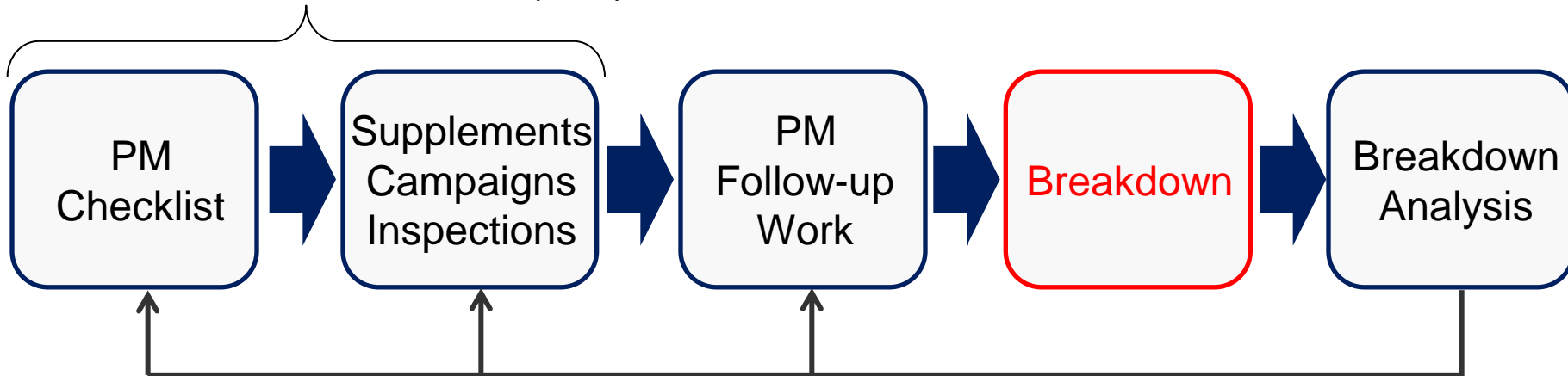
Items in red = Targets for Reduction

**Goal: Run Truck Without Repair Between PMs**

## PM Process Quality Improvement Reduces Repairs Between PMs

### PM Process

Vehicle Maintenance Index (VMI)



- ▶ Fix issues during the PM not between PMs ... Truck uptime focus
- ▶ Key Metric: Improve PM quality (Vehicle Maintenance Index + Follow-up)
- ▶ Drive breakdown analysis to focus PM process on what matters for truck uptime

***PM Process Quality Is Our Top Priority ... Key Customer Satisfaction Driver***

# Results Of PM Process Quality Improvements

## PM Process Quality

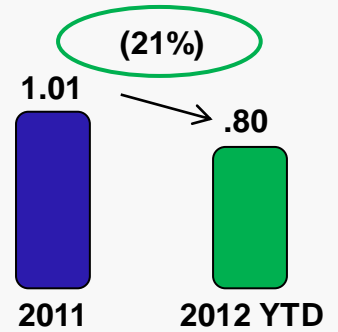
|  | 2011                             | YTD<br>2012 |     |
|--|----------------------------------|-------------|-----|
| <b>Vehicle Maintenance Index (VMI)</b> | <b>78%</b>                       | <b>95%</b>  |     |
| VMI {                                  | PM Checklist                     | 96%         | 98% |
|  | OEM Campaign Completion          | 90%         | 98% |
|  | Supplement Completion            | 75%         | 95% |
|  | Component Completion             | 75%         | 95% |
|  | State/Federal/Opacity Completion | 90%         | 98% |
| <b>Follow-up Completion</b>            | <b>40%</b>                       | <b>90%</b>  |     |

*Goal is to not let trucks leave the shops until they are completed so that they can run without breaking down to the next PM*



## Results

**Breakdowns  
Per Unit  
Per Year**



**Reduction of over ~40K Breakdowns**

**\*Customer Satisfaction Scale**

- 10 Extremely Satisfied
- 5 Neutral
- 1 Extremely Dissatisfied

**Maintenance  
Customer  
Satisfaction**

