


How to Boost Profit with Construction Fleet Maintenance Technology

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Table of Contents

5 Fleet Maintenance Tips from
Veteran Fleet Manager Gil Gilbert

1. Intro
 2. About The Author
 3. Go Paperless with QR Codes
 4. Increase Margins with Telematics
 5. Use Data to Determine
Operational Cost Per Hour
 6. Measure the Value of Technician
Efficiency
 7. Tap into Experience of Younger
Generations
- 

Introduction

When Gil Gilbert looks at his construction fleet, he sees dollar signs.

While fleet maintenance is typically viewed as a cost center, Gilbert says [today's technologies](#) can change all that — and turn it into a profit margin machine.

In this ebook, Gilbert, the director of fleet management for the pipeline division of Henkels & McCoy, shares five tips to leverage these tools and their data for more efficient fleet maintenance in order to increase profit potential for the overall construction organization.

Find out how you can implement Gilbert's tips to change your business, too.

About The Author

Karen Scally is a B2B journalist who has covered the construction industry for over a decade.

She has previously served as the editor of both *Lift and Access* and *Site Prep* magazines.

She currently develops content for the [Gearflow.com](https://www.gearflow.com) blog, which empowers fleet professionals with the insightful resources, advice, and success stories they need to make better decisions.

Karen Scally



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Gil Gilbert



Gil Gilbert is the director of fleet management for the pipeline division of Henkels & McCoy, which is headquartered in Houston.

Because of his implementation of technology, the contractor, which ranked [No. 6 on the 2019 ENR Top 600 Specialty Contractors List](#), won the [2016 AEMP Fleet Masters Award](#) from the Association of Equipment Management Professionals and Construction Equipment magazine. The awards recognize the industry's [top fleet management](#) teams.

[Henkels & McCoy's pipeline division](#) handles major pipeline spreads, ranging anywhere from 50 to 200 miles, throughout the U.S.

Gilbert says the division's fleet, valued well over \$100 million, includes about 800 owned assets and fluctuates up to 2,200 pieces of on- and off-road equipment with rentals during the height of busy season.

Based out of the division's Birdsboro, Pennsylvania maintenance facility, he supervises a full-time fleet staff, which includes logistics and rental coordinators, a supervisor of fleet maintenance, service technicians, and equipment yard and warehouse staff.

Drawing from his nearly 30 years in [fleet management](#), which includes serving as the fleet director for Anheuser Busch to owning a construction repair company, Gilbert has found success by using innovative ways to adapt technology throughout his fleet operations.



Gil Gilbert, center, director of fleet management for the pipeline division for Henkels & McCoy, receives the 2016 AEMP Fleet Masters award with Ian Windish, left, telematics specialist, and Gary Regan, fleet supervisor. // Source: Gil Gilbert

1. Go Paperless with QR Codes

Over five years ago, Gilbert was between speaking engagements at a conference, mindlessly thumbing through a construction equipment brochure — when something caught his eye.

It was the first time he'd seen a QR code.

Curious, Gilbert followed the instructions and scanned the small symbol with his smartphone.

And it opened up a whole new world for him.

The code in the brochure linked to the model's specs, and it occurred to him that these codes could have broader applications if directly attached to the heavy iron and on-highway vehicles.

"I thought that would be really cool if we could get that info out to the people who really need it at the time," Gilbert says.

So in 2015, Gilbert began adding [QR codes throughout his fleet](#).

"Every time a new piece of equipment comes through and it gets prepped for service, we put these QR codes all around," he says.

The codes provide instant access to important information, such as inspection points, service hours, load-securement instructions, and pre- and post-trip logs. Some codes link to safety videos or videos designed to [help technicians troubleshoot maintenance issues](#).



The QR codes throughout Henkels & McCoy's fleet provide instant smartphone access of key construction equipment information to service technicians and operators, including a dozer's maintenance intervals. // Source: Gil Gilbert

“Whether it’s a dozer or excavator operator or somebody that’s driving a truck, if he wants to know what the true hours of service are, how to maintain his logbooks, or work through his ELD, he can scan the code on there and get a quick video that shows him everything he needs to know on doing that,” Gilbert says. “It’s virtually paperless.”

The QR codes put valuable resources right at the fingertips of the individuals that need them most, at the exact time and place that they are needed, such as linking field mechanics to service forms and drivers to upload pictures to track equipment damage. Gilbert says they even have QR codes on their fleet’s engines.

“It instantly takes them to an electronic version of that manual and troubleshooting guide,” he says.

Though it is a simple technology, Gilbert says QR codes are a powerful tool that allows the fleet maintenance staff to get to work more quickly.

“They’re not digging around for a service book or calling somebody,” he says. “It’s right there in front of them.”

Gilbert believes the future of construction fleet maintenance will include widespread adoption of QR codes on equipment. Some OEMs are even exploring adding them to models right from the factory.

2. Increase Margins with Telematics

Gilbert says the biggest opportunities for profit potential in construction fleet management are with increasingly [advanced uses of telematics](#).

“In my mind, a company that does not embrace the information of telematics is really in the last century,” he says.

Henkels & McCoy began implementing telematics solutions in 2013 to track fleet maintenance and equipment movement, as well as monitor compliance and production. They also use it for diagnostics’ capabilities.

However, shifting to processes that embrace this level of technology has not been without some pushback.

“In the construction industry, you got a lot of old school guys there that they just don’t want to accept technology,” Gilbert says.

He says his team made a concerted effort to send fleet staff to the field to demonstrate how it would make their jobs easier.

But in the end, it was the money that mattered.

Gilbert says the more profitable the jobs are, the more bonuses the project superintendents get.

“And they now see that it directly reflects their income if they utilize the tools that we provide for them,” he says.

He recalls one superintendent who initially scoffed at the idea of using telematics.

“Now that same superintendent, if his site goes dead for more than 15 minutes, we’re getting phone calls that he can’t see his data,” Gilbert says. “It’s become his eyes.”

It speaks to how critical — and influential — the role of the equipment fleet department is within the construction organization.

“We are the margin makers,” Gilbert says. “If you listen and follow the technology we’re offering, we can actually increase your margins.”

He notes that most construction companies work off a 10-12% profit margin.

“That profit margin means that for every dollar they spend, they’re getting 10 or 12 cents back,” Gilbert says. “For every dollar I save them, it’s a 96% margin that they’re going to make on every dollar by using our technology.”

3. Use Data to Determine Operational Cost Per Hour

Once fleet management technology is in place, Gilbert says that's when the creativity really comes into play in finding alternative solutions that produce savings.

For starters, Gilbert favors monitoring gallons of fuel burned, even for on-road equipment, over tracking mileage.

"That's truly the measurement of how much that engine has worked," he says.

And since fuel can come with such a hefty expense, Gilbert says instead of letting operators stay comfortable in idling equipment when they're not working, he recommends providing cooling trailers or mobile lunch rooms.

"It's much cheaper, and it doesn't put the wear and tear on the machines," he says.



Gilbert prefers to monitor gallons of fuel burned over tracking mileage for on-road vehicles to get a true measurement of how much the fleet's engines have worked. // Source: Gil Gilbert

It's also important to keep a close eye on operator use of the equipment, because that can directly affect fleet maintenance and repairs. Through telematics, Gilbert's fleet management team tracks the performance of each operator, based on a PIN number entered into the equipment keypad.

"You can actually watch individual operators and how they treat the equipment and what their production is," Gilbert says. "Then you can really pinpoint, does he not know how to operate the machine? Is he struggling with this?"

Then, you can determine if an operator needs further training and what the true operational cost per hour is.

"We all know [what our fixed costs are on equipment](#): depreciation, taxes, and insurance," Gilbert says. "But what's really hard to pinpoint is production rate for a specific type of machine in a specific type of environment."

Applying the telematics data can help you do that, he says.

4. Measure the Value of Technician Efficiency

Gilbert says that it's important to not overlook the role that your fleet maintenance staff plays in the cost of doing business.

"An untrained service technician can cost you 10 times more than any training tool you can buy because of mistakes and the amount of time it takes them to do something," Gilbert says.

He says fleet management teams need to invest in their technicians to make sure they have been through a comprehensive, OEM-style training program and that they are outfitted with the proper tools. He also says those responsible for ordering parts need to be better educated on available parts-ordering systems to make them more efficient.

Check one site instead of many: Consolidate your searches for construction equipment parts at [Gearflow.com](https://www.gearflow.com), the online construction equipment marketplace for your top aftermarket and OEM brands, with millions of parts, equipment, and tools available.

Gilbert uses a method called technician efficiency to make sure his team is influencing profit margins in a positive way.

"I actually measure the amount of hours I pay a technician," he says. "So if I'm paying a technician eight hours, I track that technician's time to a project or to a task."

For example, technicians that are productive six hours of the day means they are 72% efficient. The [National Automobile Dealers Association](https://www.nadad.org) recommends that service technicians achieve 85% productivity.

Gilbert then evaluates the underperformers on his team to see if they are lacking in experience, training, tools, and other resources — and see what he can do to help them.

Pro tip: Track your service technician's time to a project or task to achieve at least 85% productivity.

"A lot of times, people say, 'Well, he's just lazy,'" he says. "I don't believe for one minute that a person comes to work every day saying, 'I'm just going to be lazy today.' There's obstacles and those obstacles really need to be vetted out."

Gilbert is constantly trying to find ways to improve his team's output, encouraging team members to use the technology and tools available. Take something as routine [as a call to order parts](#), for example.

"Being on the phone ordering parts can go from a five-minute conversation to a 45-minute conversation," he says. "A computer is not going to have a conversation with you."

He says he's not trying to discourage relationships with suppliers, but that there is a time and a place — and that the time for lengthy calls would not be during peak production, such as in the winter, when the service shops are busy with repairs.

"That's the time when I would expect that parts technician coming in and saying I need a turbo for unit number XYZ," he says. "We're going to get all the specs for the engine, and we're going to be able to go online to that system, and go click, click, click, ordered. I'm just continuing to push those that are within the fleet management team to [use online tools whenever they're available](#)."

5. Tap into Experience of Younger Generations

In multi-generational construction workforces, the adoption of technology to reduce fleet maintenance costs and the willingness to embrace it can vary.

“It’s very difficult for an old school baby boomer to embrace this technology and to identify with it,” Gilbert says.

To better manage that, Gilbert says it helps to pair up team members from different generations, such as a Gen Xer with a [millennial who intuitively understands technology](#), for a reverse mentorship of sorts.



Photo via [VA Crane Rental](#)

“At first they think this is a young punk kid who doesn’t have any experience,” he says. “And then they start seeing that young punk kid get the information they need so quickly and instantaneously.”

Then, the less tech-savvy employee typically wants to know what he can do differently.

“It becomes a really cool transition to see that relationship developed between that generation gap, where you see some real magic happen,” he says. “It kind of debunks the old cliché, you can’t teach an old dog new tricks. Sometimes those old dogs are looking for a way to be competitive in the market.”

Gilbert says the construction industry as a whole could benefit from shaking its more “old-school mentality,” where you clock in at 7 a.m. and go home at 3:30 p.m., as much as possible. He believes this limits the potential of his fleet maintenance staff.

“Most millennials, they want to be more flexible, they want to be more open to be with their family,” he says. “So when you have a situation where an employee gets paid by the job, I don’t care what time he comes in or what time he goes home, as long as he gets what I need done.”

The need for increasing flexibility has become [particularly apparent during the COVID-19 pandemic](#), with personal lives and schedules thrown into upheaval.

“Some of these people don’t have the luxury of a daycare anymore,” he says. “They don’t have the luxury of sending their kids to school. At the end of the day, I’m looking at how much production I can get out of each bay of my shop, and the technician’s ability to complete that production in whatever time he sees is going to be efficient for him to do.”

And as much as Gilbert has learned from applying technology to fleet maintenance, what excites him is that he thinks there’s a whole lot more success to be had.

“Technology, as advanced as it is, it’s still going to get better,” Gilbert says. “We’re going to see in the next five years stuff that I haven’t even thought of. And I think it’s important that everybody is open minded to that.”

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- **Marshal Bowman,**
Bowman Excavating & Landscaping

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