

TRUCK TRANSPORTATION AND WAREHOUSING (NAICS Canada 484, 493)

Nature of the Industry

Goods and services. Firms in the truck transportation and warehousing industry provide a link between manufacturers and consumers. Businesses contract with trucking and warehousing companies to pick up, transport, store and deliver a variety of goods. The industry includes general freight trucking, specialized freight trucking, and warehousing and storage.

Industry organization. General freight trucking uses motor vehicles, such as trucks and tractor-trailers, to provide over-the-road transportation of general commodities. This industry segment is further subdivided based on distance travelled. Local trucking establishments carry goods primarily within a single metropolitan area and its adjacent non-urban areas. Long-distance trucking establishments carry goods between distant areas.

The work of local trucking firms varies with the products transported. Produce truckers usually pick up loaded trucks early in the morning and spend the rest of the day delivering produce to many different grocery stores. Lumber truck drivers, on the other hand, make several trips from the lumberyard to one or more construction sites. Some local truck transportation firms may also take on sales and customer relations responsibilities for a client, in addition to delivering the firm's products.

Long-distance trucking comprises establishments engaged primarily in providing trucking between distant areas, and sometimes between Canada and the United States or Mexico. These firms handle every kind of commodity.

Specialized freight trucking provides over-the-road transportation of freight, which, because of size, weight, shape or other characteristics, requires specialized equipment such as flatbeds, tankers or refrigerated trailers. This industry sector also includes the moving industry—that is, the transportation of household, institutional and commercial furniture for individuals or companies that are relocating. Like general freight trucking, specialized freight trucking is subdivided into local and long-distance components.

Many goods are carried using intermodal transportation to save time and money. Intermodal transportation encompasses any combination of transportation by truck, train, plane or ship. Typically, trucks perform at least one leg of the trip, since they are the most flexible mode of transport. For example, a shipment of cars from an assembly plant begins its journey when they are loaded onto rail cars. Next, trains haul the cars across country to a depot, where the shipments are broken into smaller lots and loaded onto tractor-trailers, which drive them to dealerships. Each of these steps is carefully orchestrated and timed so that the cars arrive just in time to be shipped on the next leg of their journey. Though some perishable and time-sensitive goods may be transported by air, they are usually picked up and delivered by trucks.

Warehousing and storage facilities are engaged primarily in operating warehousing and storage facilities for general merchandise and refrigerated goods. They take responsibility for keeping general merchandise and refrigerated goods secure and in good condition. A growing number of warehousing and storage facilities also may provide some logistical services, such as labeling, inventory control management, repackaging and transportation arrangement.

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Recent developments. The North American Free Trade Agreement (NAFTA) has resulted in increased trade with the United States and Mexico, which unlike other trading partners, can both be reached by truck. Specifically, the U.S. and Canada have had longstanding agreements that allow drivers to deliver goods between the two nations somewhat effortlessly.

Trucking and warehousing firms often provide logistical services encompassing the entire transportation process. Logistical services manage all aspects of the movement of goods between producers and consumers. Among their value-added services are sorting bulk goods into customized lots, packaging and repackaging goods, controlling and managing inventory, order entering and fulfilment, labelling, performing light assembly and marking prices. Some full-service companies even perform warranty repair work and serve as local parts distributors for manufacturers. Some of these services, such as maintaining and retrieving computerized inventory information on the location, age and quantity of goods available, have helped to improve the efficiency of relationships between manufacturers and customers.

Many firms rely on new technologies and the coordination of processes to expedite the distribution of goods. The use of computers to analyze work routines in order to optimize the use of available labour has led to increases in productivity. Some firms use Radio Frequency Identification Devices (RFID) to track and manage incoming and outgoing shipments. RFID simplifies the receiving process by allowing entire shipments to be scanned without unpacking a load to manually compare it against a bill of lading.

Many companies use just-in-time shipping, which means that goods arrive just before they are needed, saving recipients money by reducing their need to carry large inventories. These technologies and processes reflect two major trends in warehousing: supply chain integration, whereby firms involved in production, transportation, and storage all move in concert so as to act with the greatest possible efficiency; and the recurring objective to reduce inventory levels and increase inventory accuracy.

Working Conditions

Hours. Hours for other workers in the industry vary based on their duties. Managers, office and sales workers, for example, often work during regular business hours. Maintenance workers, labourers and other support personnel, on the other hand, may be required to work evening or weekend shifts.

Work environment. Truck drivers must cope with a variety of working conditions, including variable weather and traffic conditions, boredom and fatigue. Many truck drivers enjoy the independence and working without direct supervision found in long-distance driving. Local truck drivers often have regular routes or assignments that allow them to return home in the evening.

Improvements in roads and trucks reduce stress and increase the efficiency of long-distance drivers. Many advanced trucks are equipped with refrigerators, televisions and beds for their drivers' convenience. Included in some of these state-of-the-art vehicles are satellite links with their company's headquarters, so that drivers can get directions, weather and traffic reports, and other important communications in a matter of seconds. In the event of bad weather or mechanical problems, truckers can communicate with dispatchers to discuss delivery schedules and courses of action. Satellite links also allow dispatchers to track the location of the truck and monitor fuel consumption and engine performance.

Vehicle and mobile equipment mechanics, installers, and repairers usually work indoors, although they occasionally make repairs on the road. Minor cuts, burns and bruises are common, but serious accidents typically can be avoided if the shop is kept clean and orderly and if safety practices are observed. Service technicians and mechanics handle greasy and dirty parts and may stand or lie in awkward positions to repair vehicles and equipment. They usually work in well-lit, heated and ventilated areas, but some shops are drafty and noisy.

Labourers, and hand freight, stock, and material movers usually work indoors, although they may do occasional work on trucks and forklifts outside. These occupations often require a great deal of physical labour, including heavy lifting.

Safety is a major concern for the truck transportation and warehousing industry. The operation of trucks, forklifts and other technically advanced equipment can be dangerous without proper training and supervision. Truck drivers must adhere to federally mandated certifications and regulations requiring them to submit to drug and alcohol tests as a condition of employment. Employers are required to perform random on-the-job checks for drugs and alcohol.

Employment

Most employees in the truck transportation and warehousing industry work in small establishments. However, consolidation in the industry has reduced the number of small, specialized firms. Trucking and warehousing establishments are found throughout Canada.

Occupations in the Industry

Transportation and material moving occupations. Truck drivers and driver/sales workers transport goods from one location to another. They ensure the safe delivery of cargo to a specific destination by a designated time. Drivers also perform some minor maintenance work on their vehicles and make routine safety checks.

The length of trips varies with the type of merchandise and its final destination. Local drivers provide regular service while long-haul drivers make intercity and deliveries that take longer and may vary from job to job. The driver's responsibilities and assignments vary according to the time spent on the road and the type of goods transported.

Local drivers typically have regular schedules and return home at the end of the day. They may deliver goods to stores or homes or haul away dirt and debris from excavation sites. Many local drivers cover the same routes daily or weekly. Long-distance truck drivers often are on the road for long stretches of time. Their trips vary from an overnight stay to a week or more. On longer trips, drivers sometimes sleep in bunks in their cabs or share the driving with another driver.

Labourers, and hand freight, stock, and material movers help load and unload freight and move it around warehouses and terminals. Often, these unskilled employees work together in groups of three or four. They may use conveyor belts, hand trucks, pallet jacks or forklifts to move freight. They may place heavy or bulky items on wooden skids or pallets to be moved by industrial trucks.

Office and administrative support occupations. Dispatchers coordinate the movement of freight and trucks, and provide the main communication link that informs the truck drivers of their assignments, schedules and routes. Dispatchers frequently receive new shipping orders on short notice and must juggle drivers' assignments and schedules to accommodate clients. Shipping, receiving and traffic clerks keep records of shipments arriving and leaving. They verify the contents of trucks' cargo against shipping records. They also may pack and move stock. Billing and posting clerks and machine operators maintain company records of the shipping rates negotiated with customers and shipping charges incurred; they also prepare customer invoices.

Installation, maintenance and repair occupations. These workers ensure that trucks and warehouse equipment function properly and remain in good working order. Service technicians and mechanics, also called vehicle and mobile equipment mechanics, installers and repairers, perform preventive safety checks as well as routine service and repairs. Service technicians and mechanics sometimes advance to parts manager positions. Parts managers maintain the supply of replacement parts needed to repair vehicles. Parts managers monitor the parts inventory using a computerized system and purchase new parts to replenish supplies. These employees need mechanical knowledge and must be familiar with computers and purchasing procedures.

Sales and related occupations. Sales workers, often called brokers, sell the industry's services to companies who need goods shipped. They meet with prospective buyers, discuss the customers'

needs, and suggest appropriate services. Travel may be required, and many analyze sales statistics, prepare reports and handle some administrative duties as well.

Management occupations. Managers provide general direction to firms. They staff, supervise and provide safety and other training to workers in the various occupations. They also resolve logistical problems such as forecasting the demand for company services, ordering parts and equipment service support, and scheduling the transportation of goods.

Training and Advancement

Most jobs in the truck transportation and warehousing industry require a high school education or less, although an increasing number of workers have at least some postsecondary education. Postsecondary education is especially important for those seeking positions in management. Emphasis on formal education stems from the increasing use of technology in the industry. Nearly all operations involve computers and information management systems. Many occupations—especially those involved in scheduling, ordering and receiving—require detail-oriented people with computer skills. Some companies provide such training in-house. Other sources of training include trade associations, unions and vocational schools. Many companies have specific curricula on safety and procedural issues, as well as on occupational duties.

Transportation and material moving occupations. Most truck drivers are required to have a commercial driver's licence (CDL). To qualify for a CDL, applicants must have a clean driving record, pass several written tests on rules and regulations, and demonstrate the ability to safely operate commercial trucks. Information on obtaining a CDL may be found at each province's transportation authority.

Experienced and reliable truck drivers with good driving records receive better pay as well as more desirable routes, schedules or loads. Because of increased competition for experienced drivers, some larger companies are luring these drivers with higher wages, signing bonuses and preferred assignments. Some trucking firms hire only experienced drivers.

Some long-distance truck drivers purchase trucks and go into business for themselves. Although many of these owner-operators are successful, some fail to cover expenses and eventually go out of business. Owner-operators should have good business sense as well as truck-driving experience. Courses in accounting, business and business mathematics are helpful, and knowledge of truck mechanics can enable owner-operators to perform their own routine maintenance and minor repairs. Some trucking companies engage in franchising, providing drivers with the means to purchase a truck while also lining up loads for them to haul.

Unskilled employees may work as helpers, labourers and material movers. They must be in good physical condition because the work often involves a great deal of physical labour and heavy lifting. They acquire skills on the job and can advance to more skilled jobs, such as industrial truck operator, truck driver, shipping and receiving clerk, or supervisor.

Office and administrative support occupations. Most clerical jobs in the truck transportation and warehousing industry require familiarity with computers. Shipping and receiving clerks watch and learn the skills of the trade from more experienced workers while on the job. Stock clerks may advance to dispatcher positions after becoming familiar with company operations and procedures.

Installation, maintenance and repair occupations. While some vehicle and mobile equipment mechanics, installers and repairers learn the trade on the job, most employers prefer to hire graduates of programs in diesel mechanics offered by community and junior colleges or vocational and technical schools. Those with no training often start as helpers to mechanics, doing basic errands and chores, such as washing trucks or moving them to different locations. Experience as an automotive service technician is helpful because many of the skills relate to diesel technology. Experienced technicians may advance to shop supervisor or parts manager positions.

Management, business, and financial occupations. For managerial jobs in the truck transportation and warehousing industry, employers prefer those with bachelor's degrees in business, marketing, accounting, industrial relations or economics. Good communication, problem-

solving and analytical skills are valuable in entry-level jobs. Since trucking and warehousing firms may rely heavily on computer technology to aid in the distribution of goods, knowledge of information systems also is helpful for advancement. Although most managers must learn logistics through extensive training on the job, several universities offer undergraduate and graduate programs in logistics. These programs emphasize the tools necessary to manage the distribution of goods and may be associated with the business departments of schools. Marketing and sales workers must be familiar with their firm's products and services and have strong communication skills.

Outlook

Growth in the truck transportation and warehousing industry reflects ups and downs in the national economy. Job opportunities are expected to be favourable for truck drivers and diesel service technicians.

Employment change. The number of wage and salary jobs in the truck transportation and warehousing industry is expected to grow.

One of the main factors influencing the growth of the truck transportation and warehousing industry is the state of the national economy. Growth in the industry reflects ups and downs in the national economy. As the national economy grows and the production and sales of goods increases, there is an increase in the demand for transportation services to move goods from their producers to consumers. During economic downturns, on the other hand, the truck transportation and warehousing industry often is one of the first to slow down as orders for goods and shipments decline.

Competition in truck transportation is intense, both among trucking companies and, in some long-haul truckload segments, with the railway industry. Nevertheless, trucking accounts for the bulk of freight transportation. Warehousing is expected to grow faster than the rest of the industry.

Additional employment growth will result from manufacturers who outsource their distribution functions to trucking and warehousing companies which can perform these tasks with greater efficiency. As firms in other industries increasingly employ the industry's logistical services, such as inventory management and just-in-time shipping, many new jobs will be created. Also, as more consumers and businesses make purchases over the Internet, the expansion of electronic commerce will continue to increase demand for the transportation, logistical and value-added services offered by the truck transportation and warehousing industry.

Job prospects. Opportunities for most jobs are expected to be favourable, especially for truck drivers. Many people leave the career because of the lengthy periods away from home and the long hours of driving that the job requires. Stricter requirements for obtaining—and keeping—a commercial driver's licence also make truck driving a less attractive career. New restrictions on who can obtain or renew their hazardous-material endorsement should increase opportunities for those able to pass the criminal background checks now required. Opportunities for diesel service technicians and mechanics also are expected to be favourable, especially for applicants with formal postsecondary training.

Growth in the truck transportation and warehousing industry should prompt an increase in office and administrative support employment. More dispatchers, stock clerks, and shipping, receiving, and traffic clerks will be needed to support expanded logistical services across the country. Opportunities for those with information technology skills should be excellent.

Earnings

Industry earnings.

Most employers compensate truck drivers based on distance covered, and may have incentives that encourage them to save fuel. Other workers are paid an hourly wage or salary. Sales workers are often paid commissions.

Benefits and union membership. Benefits, including performance-related bonuses, supplemental health insurance, and sick and vacation leave, are common in the trucking industry.

Many truck drivers are self-employed owner-operators. These workers are generally responsible for their own health insurance and other benefits.

ADDITIONAL RESOURCES

For additional information about careers and training in the truck transportation:

Canadian Trucking Alliance, 555 Dixon Road, Toronto, Ontario M9W 1H8. Internet:

http://www.cantruck.ca/imispublic/Home2/AM/ContentManagerNet/HomePages/Cantruckca_1508_20081210T142956HomePage.aspx?Section=Home2.