CUSTOMER SNAPSHOT: TOYOTA WAREHOUSE - KENTUKY

Zachary Mattingly, Operations Director for our DCS SW Region, recently shared this customer value delivery initiative. This CVD project proves our ability to transform vacant Southern States warehouses into storage space for Toyota to protect their frames under shelter, keeping them from ultraviolet light exposure.

OPPORTUNITY

Toyota Motor Corporation is the second largest automobile manufacturer in the world and produces more than 10 million vehicles per year since 2012. Toyota has proven itself to be a global market leader in their vehicle sales, while also transforming to be a market leader in both hybrid electric and hydrogen fuel cell vehicles sold in over 140 countries. J.B. Hunt entered this contract in Owensboro, KY, back in 2009 starting with 15 drivers. At times, this account has surged up to 130+ drivers.

This account began when all the Toyota frames were being manufactured at a plant in Owensboro, KY. As the years went on, Toyota shifted a lot of their manufacturing down to Mexico, and J.B. Hunt began transporting frames recalled due to rust, which would be transported from the Northeast. These frames were stored in Louisville, KY, for about two years when Toyota conducted chemical tests that proved ultraviolet exposure was causing damage to the coating of these frames. We discovered the opportunity to help Toyota develop a long-term solution to help mitigate the costs from further damage to their equipment.

PROCESS

At that time, Toyota's operation was transporting around 500 frames per week to and from the Northeast. After Toyota moved its manufacturing to Mexico, they agreed to continue utilizing Kentucky as the halfway point between the border and the Northeast. They figured that this middle ground was familiar to them since they had already been operating out of that area for four to five years.

Toyota approached J.B. Hunt with a short-term solution to cover the frames using a tarp while they searched for the perfect warehouse big enough for them to operate in. They hoped the tarps would help protect the coating that kept the frames from rusting once they were transported from the Northeast. Luckily, at the same time, our Southern States customer was disbanding their Louisville location and looking to sublet the two years they had left on their lease.

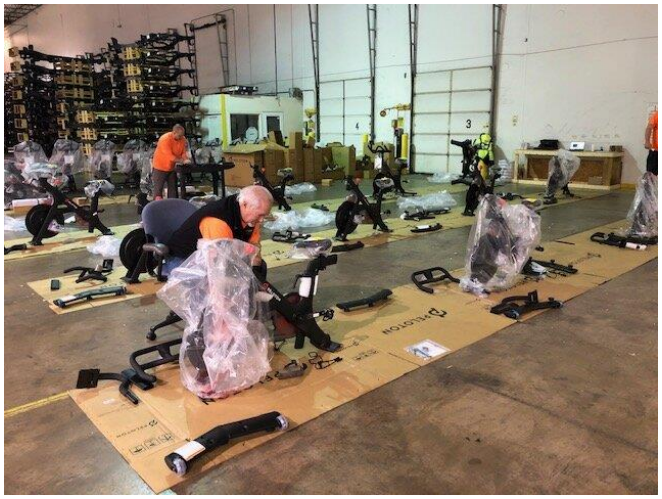
This warehouse turned out to be the best fit in the Louisville market, helping Toyota secure the perfect warehouse to store their frames. Furthermore, J.B. Hunt was also able to issue Toyota a credit by co-mingling that warehouse space with Peloton Final Mile Business.

RESULTS

By providing the warehouse space to Toyota, J.B. Hunt was able to save:

- An estimated **$12,000 per frame** from potential ultraviolet exposure damages
- Issue Toyota a **credit of $2,500 per month** to utilize space within their warehouse for Peloton Final Mile Business.





Let J.B. Hunt protect your transported cargo the way it deserves!