

# Q1 2024 Contractor Survey

62 responses

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Open

Who should take this survey?

Anonymous

Instructions

Methodology

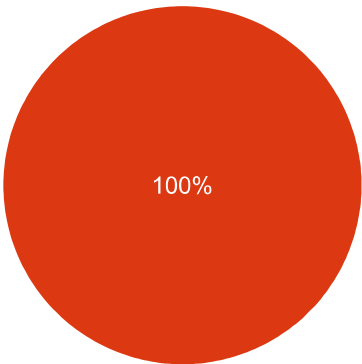
Disclaimer

## Demographics

Which company is your Service Provider agreement contracted with?

 [Copy](#)

41 responses



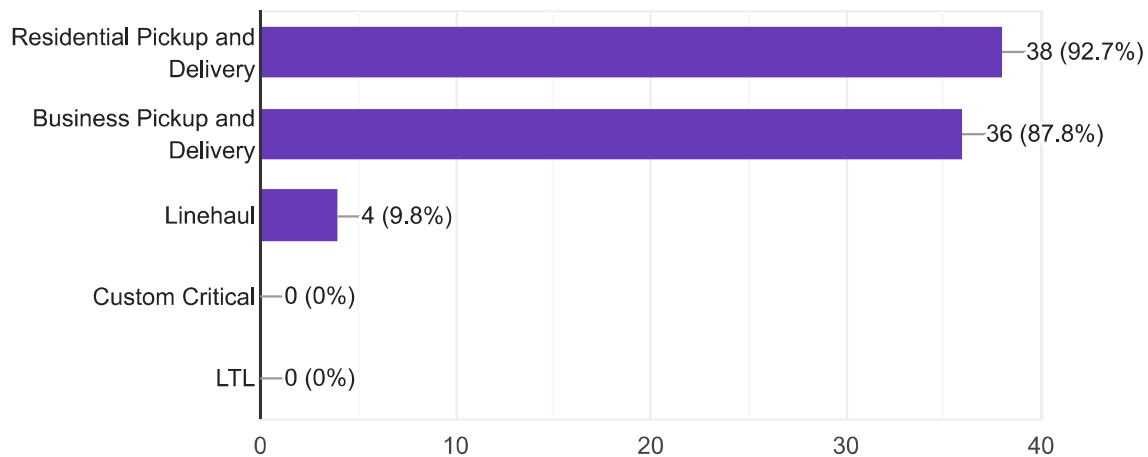
- Amazon
- FedEx Ground



## What is/are the service(s) you are contracted for?

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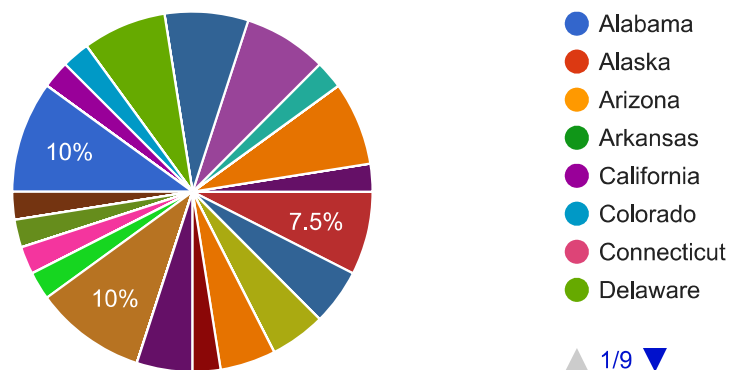
41 responses



## In which state/territory/province is your contract based?

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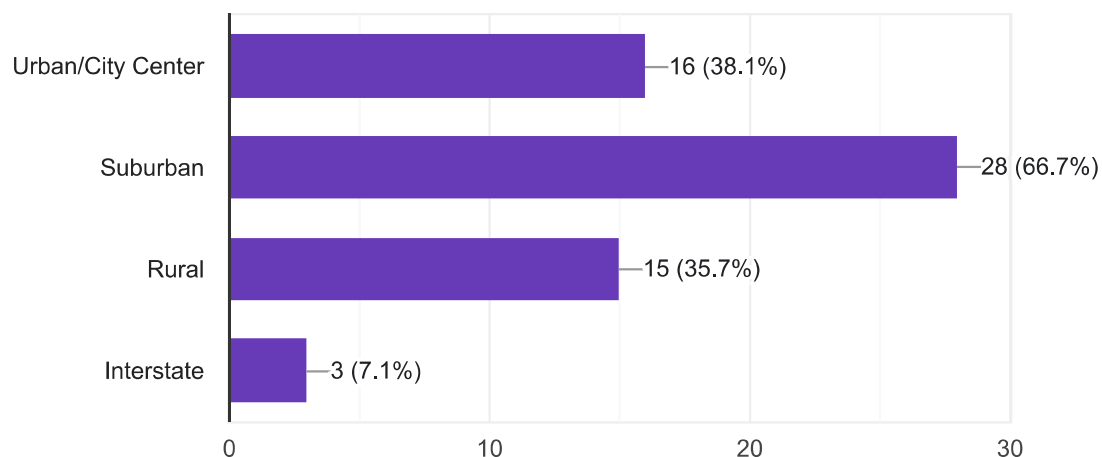
40 responses



## What best describes the primary territories of your routes?

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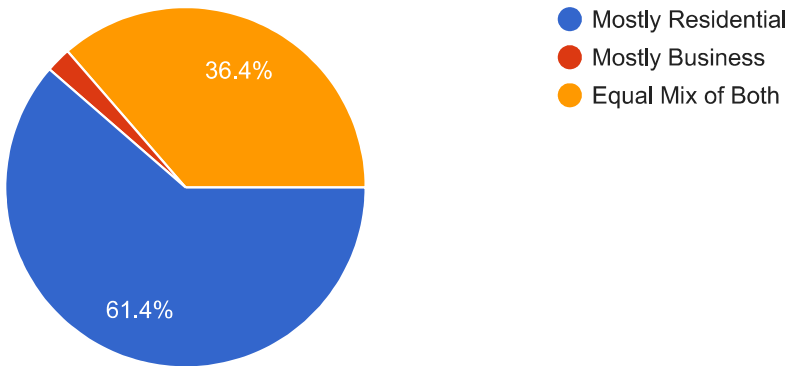
42 responses



What percentage of your deliveries are to residential addresses versus business addresses?

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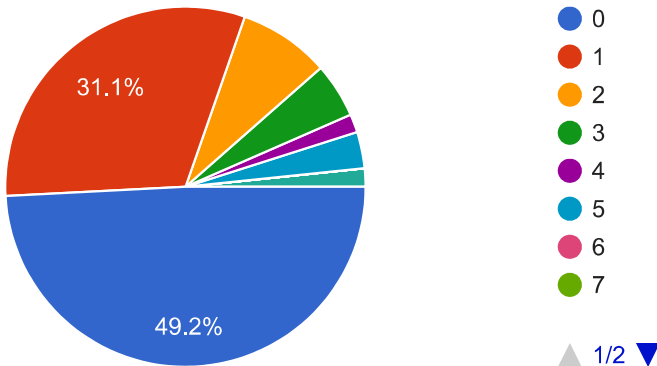
44 responses



How many additional Service Provider agreements does your company have?

 Copy

61 responses



When did your company begin operations under a Service Provider agreement?

57 responses

Aug 12	1	
May 1989	24	
Aug 1993	25	
Jun 1999	7	
Apr 2000	2	
May 2000	30	
Aug 2000	2	
Aug 2002	1	
Apr 2004	15	
Dec 2004	26	
Jan 2005	1	
Jan 2006	1	
Mar 2006	17	
Jun 2006	1	
Apr 2009	1	
Apr 2010	10	
Oct 2010	21	
Jan 2011	1	
May 2011	1	
Sep 2011	17	
Apr 2013	1	
Jan 2014	2	6
Oct 2014	1	
Mar 2015	15	



<b>Jul 2017</b>	12	14
<b>Oct 2017</b>	1	10
<b>Jan 2018</b>	3	
<b>Apr 2018</b>	1	
<b>Nov 2018</b>	12	
<b>Jan 2019</b>	7	
<b>Mar 2019</b>	2	
<b>Apr 2019</b>	1	
<b>Nov 2019</b>	1	20
<b>Apr 2020</b>	25	
<b>Aug 2020</b>	1	
<b>Oct 2020</b>	1	17
<b>Feb 2021</b>	13	
<b>Apr 2021</b>	20	
<b>Jul 2021</b>	1	10
<b>Aug 2021</b>	1	
<b>Oct 2021</b>	16	
<b>Feb 2022</b>	5	
<b>Mar 2022</b>	1	
<b>Apr 2022</b>	15	
<b>Aug 2022</b>	1	27
<b>Jan 2023</b>	27	
<b>Mar 2023</b>	3	
<b>Jul 2023</b>	22	
<b>Oct 2023</b>	7	10

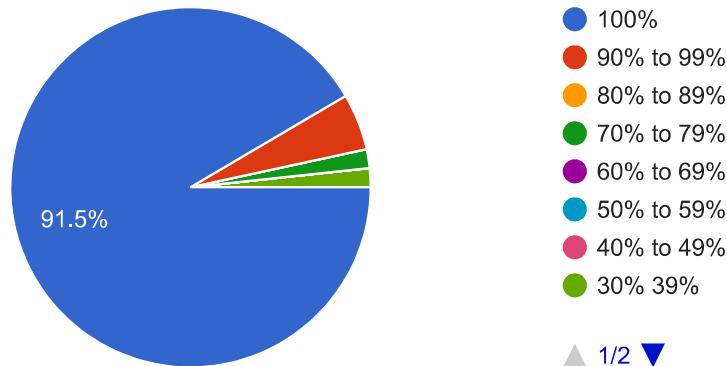
## Financials



Approximately what percentage of your revenues comes directly from your Service Provider contract.

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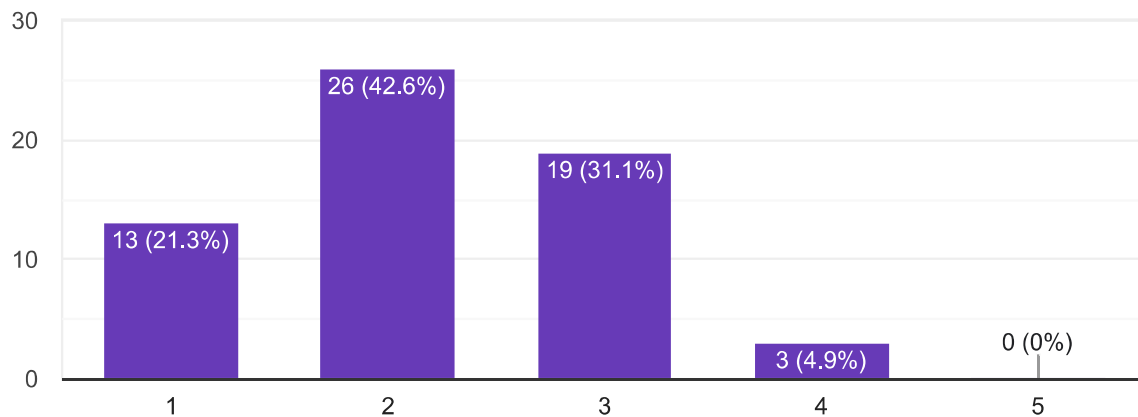
59 responses



On a scale of 1-5, how would you rate your company's financial health over the past year?

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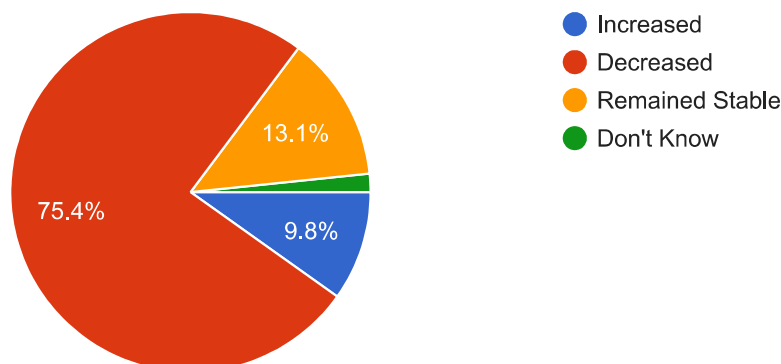
61 responses



Over the past year, have your year-over-year revenues:

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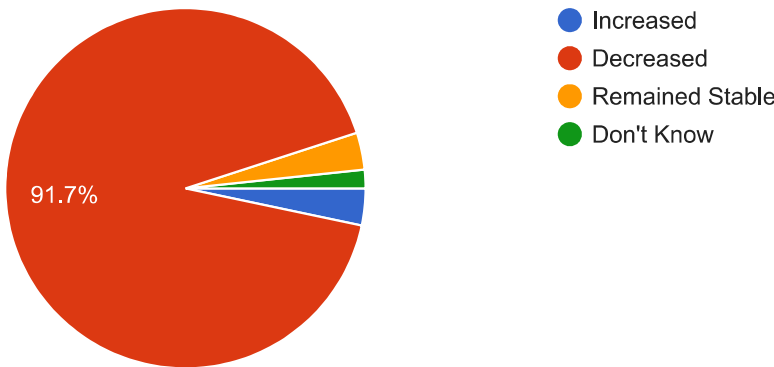
61 responses



Over the past year, have your year-over-year profit margins:

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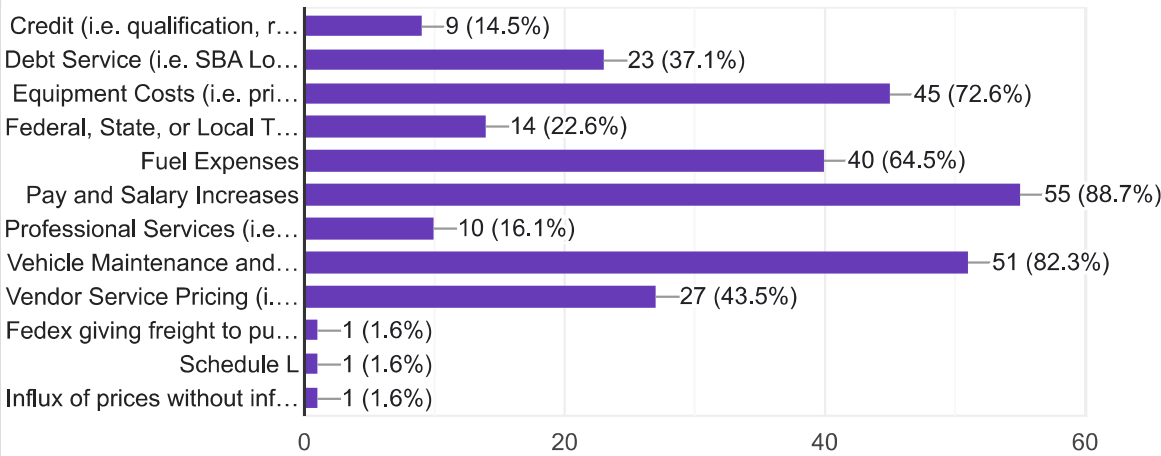
60 responses



What are the major finical challenges you face?

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62 responses



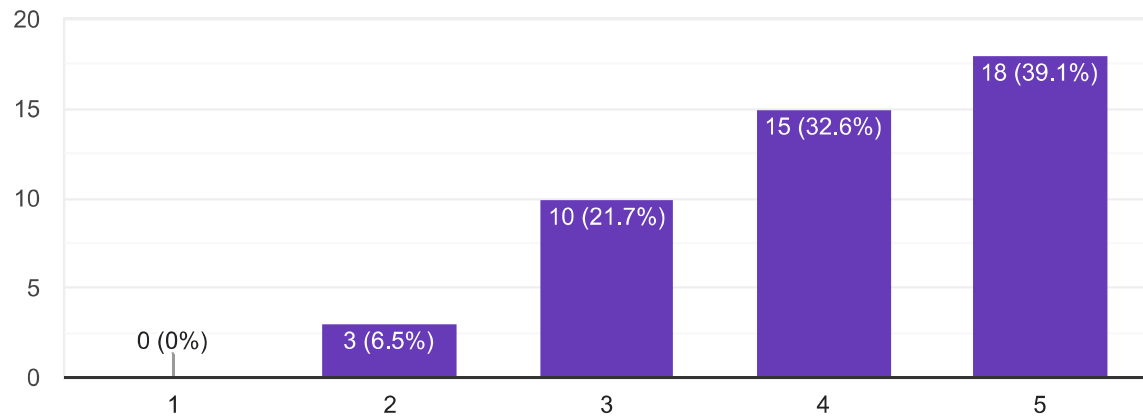
Operations



On a scale of 1-5, how would you rate your company's operational constancy over the past year?

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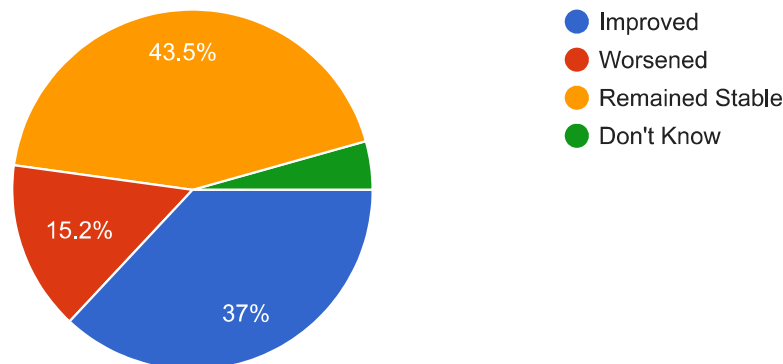
46 responses



Over the past year, has your year-over-year operational efficiency:

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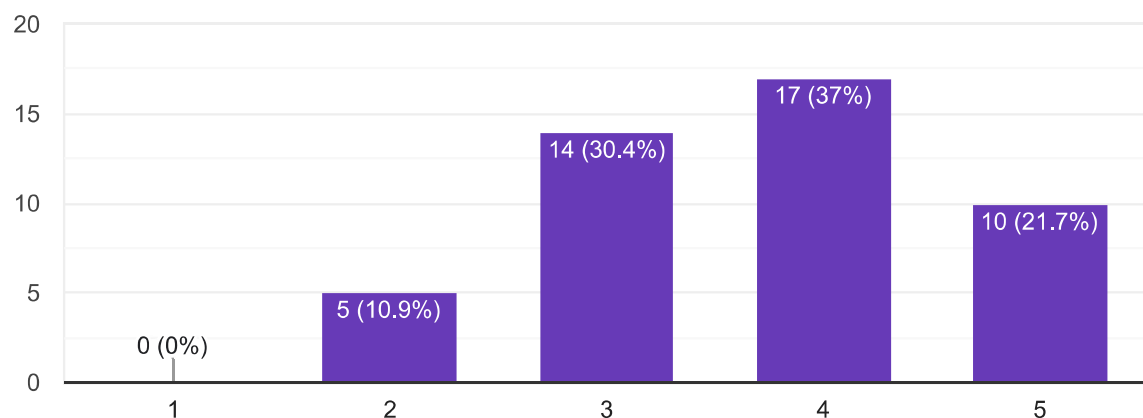
46 responses



On a scale of 1-5, how would you rate your company's current operational efficiency?

 Copy

46 responses

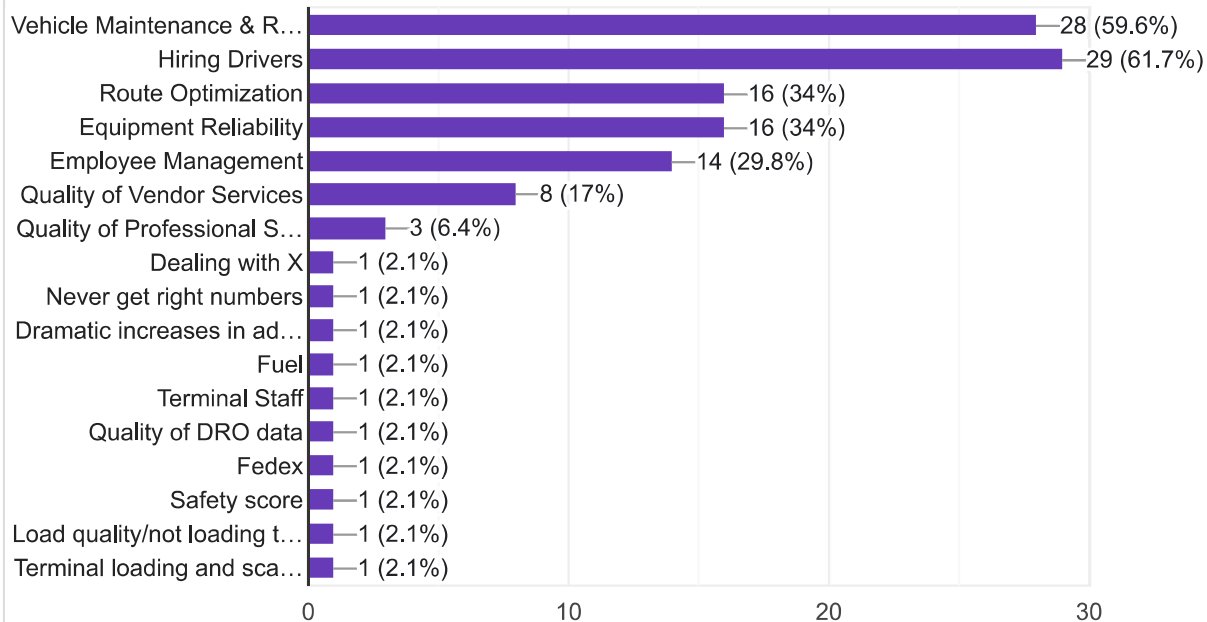




## What are the major operational challenges you face?

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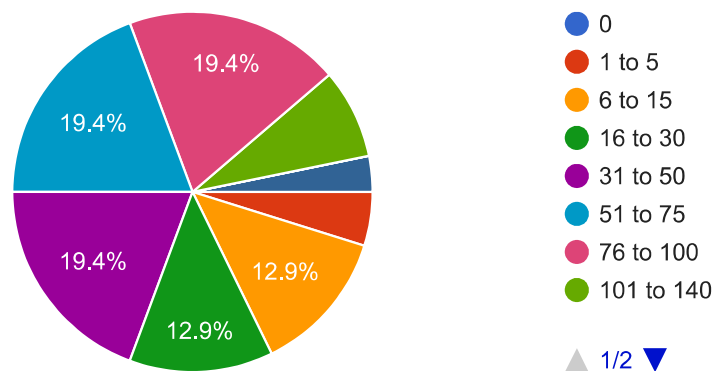
47 responses



## How many routes in an average week are dispatch to service your contract?

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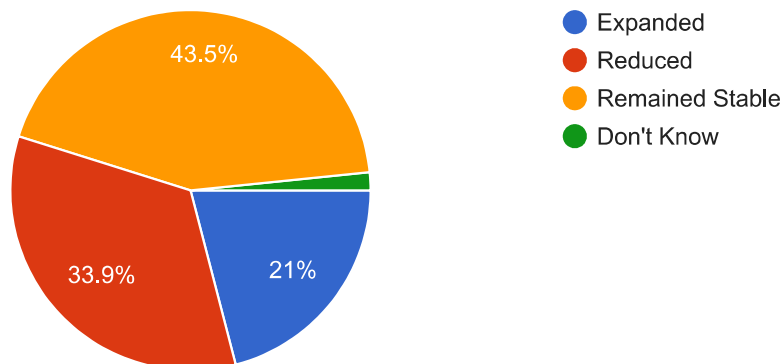
62 responses



## Have you expanded or reduced your routes in the past year?

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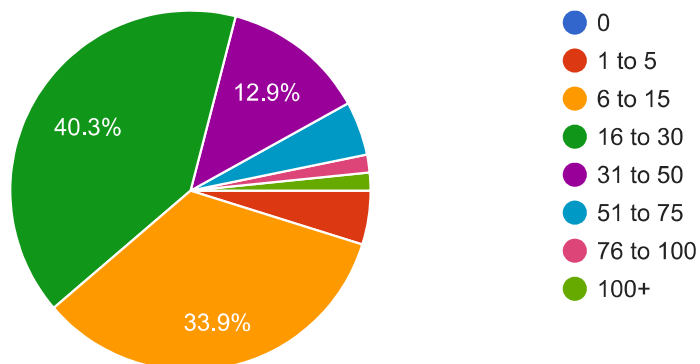
62 responses



## How many drivers are used to support your contract in an average week?

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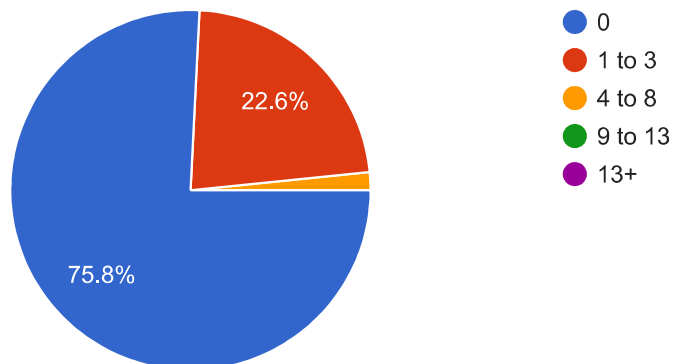
62 responses



## How many helper/jumpers are used to support your contract in an average week?

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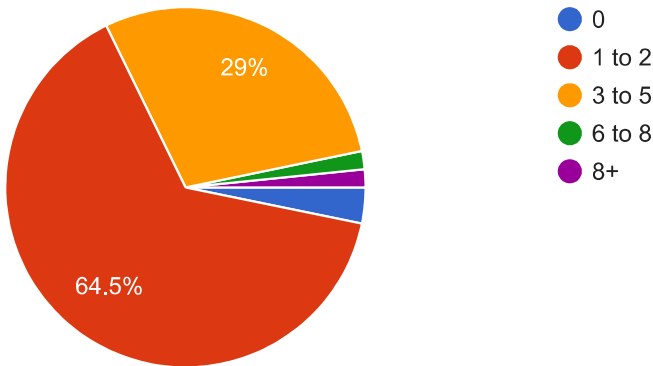
62 responses



How many managers are used to support your contract in an average week?

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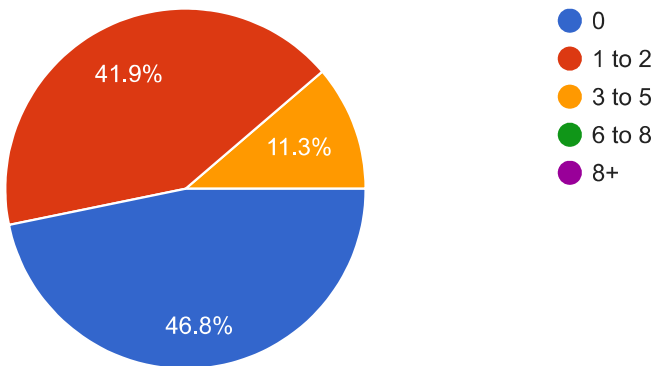
62 responses



How many administrative & executive (non-operations) positions does your company employ?

Copy

62 responses

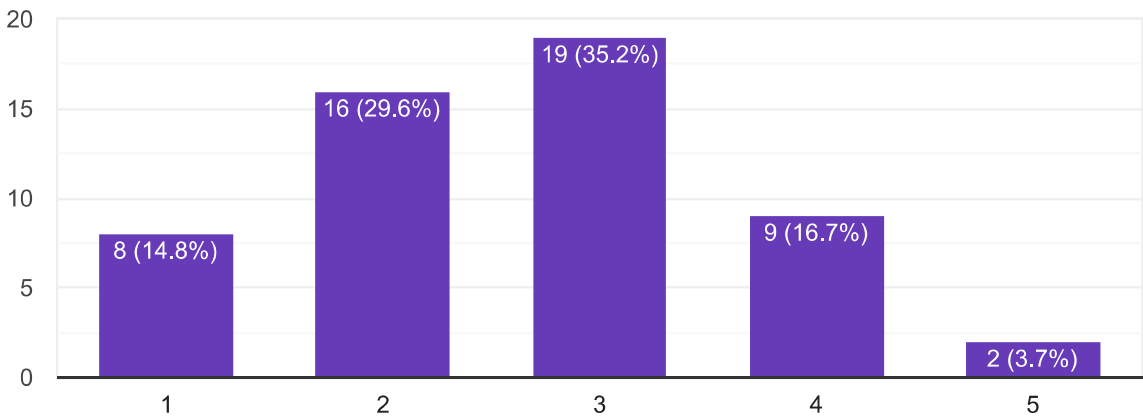


Sentiment and Outlook

How would you rate the overall health of your business one year ago?

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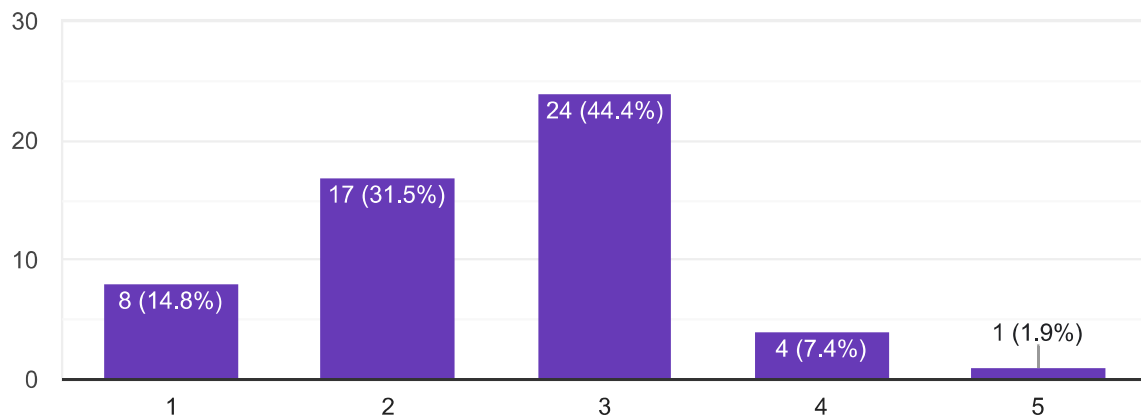
54 responses



## How would you currently rate the overall health of your business?

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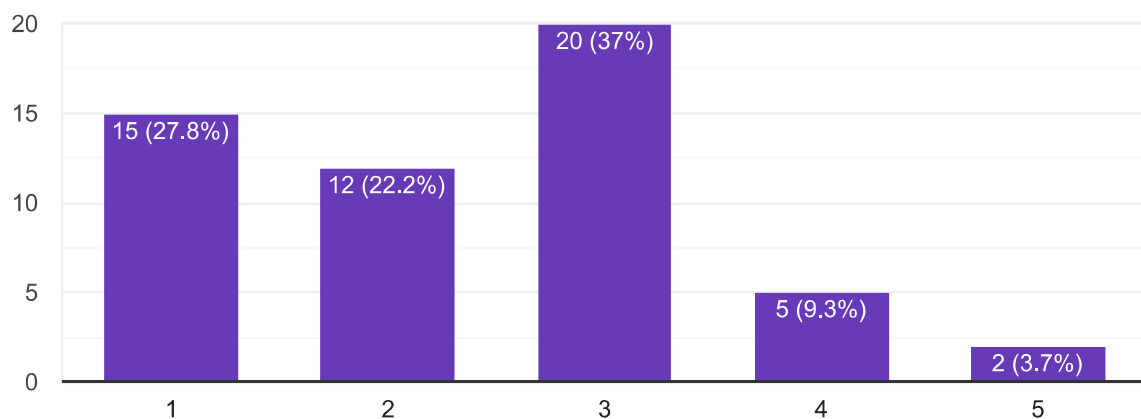
54 responses



## How would you rate your prediction for the overall health of your business one year from now?

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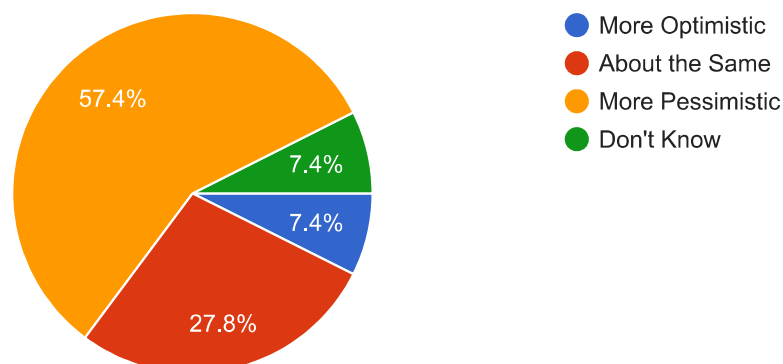
54 responses



## Compared to the past year, how do you feel about the upcoming year in terms of business growth?

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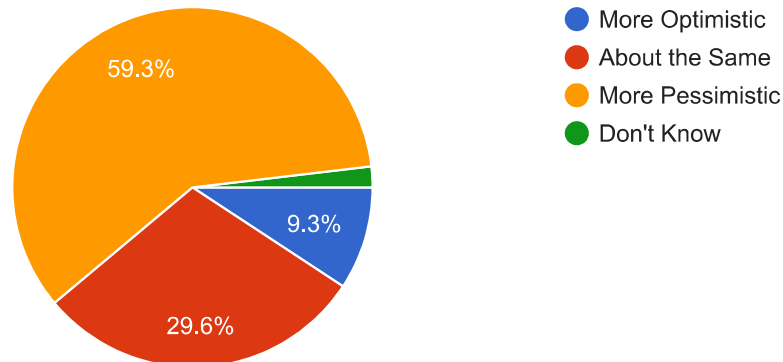
54 responses



Compared to the past year, how do you feel about the upcoming year in terms of operational challenges?

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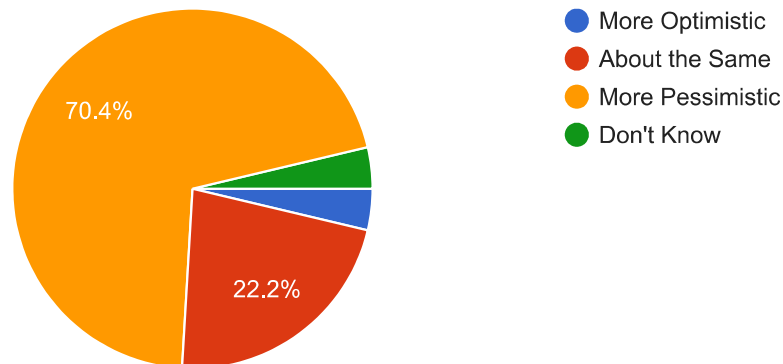
54 responses



Compared to the past year, how do you feel about the upcoming year in terms of profitability?

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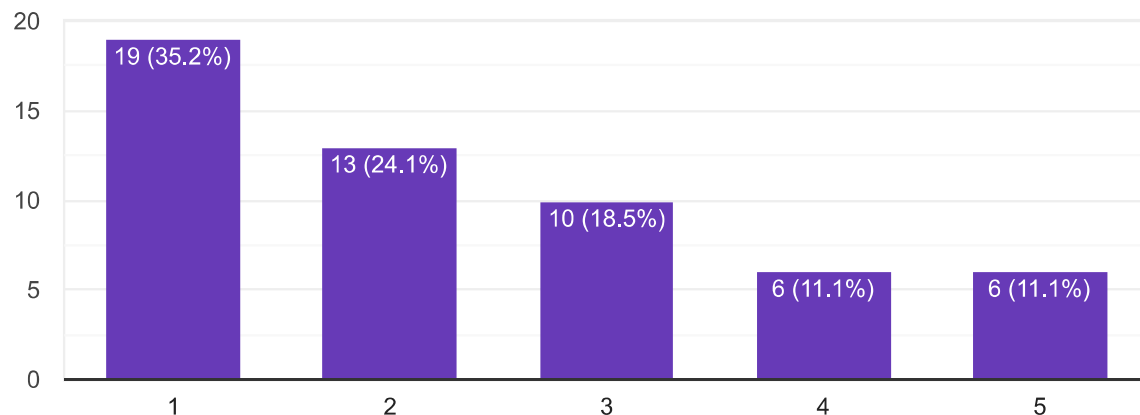
54 responses



How confident are you in the stability of your contract in the coming year?

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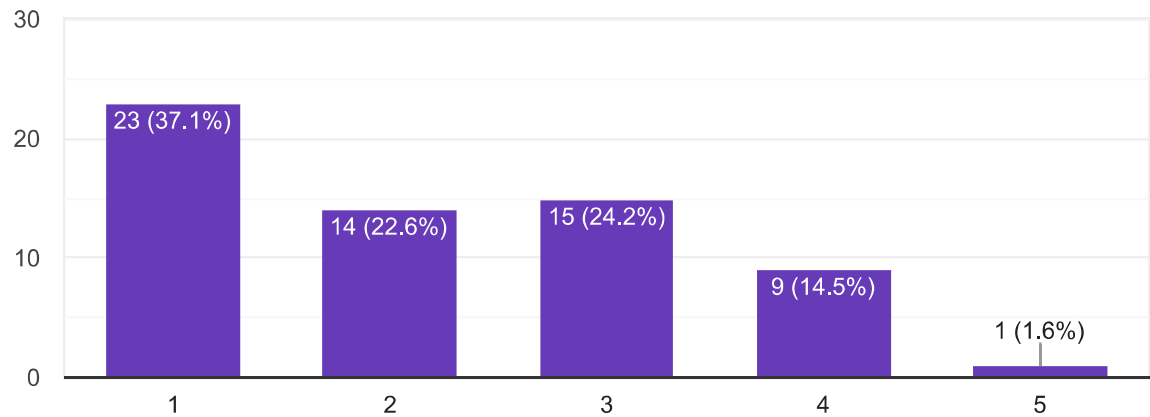
54 responses



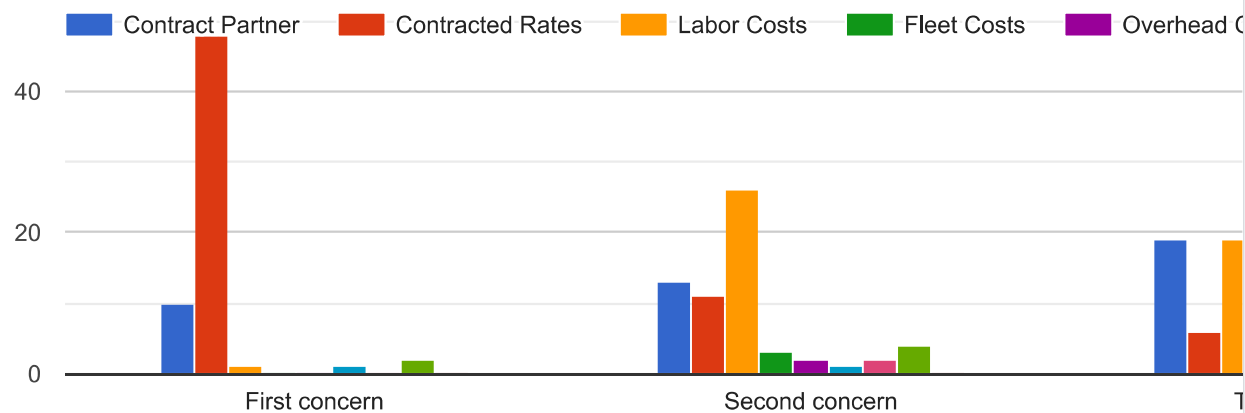
How confident are you in the stability of the company you contracted with in the coming year?



62 responses



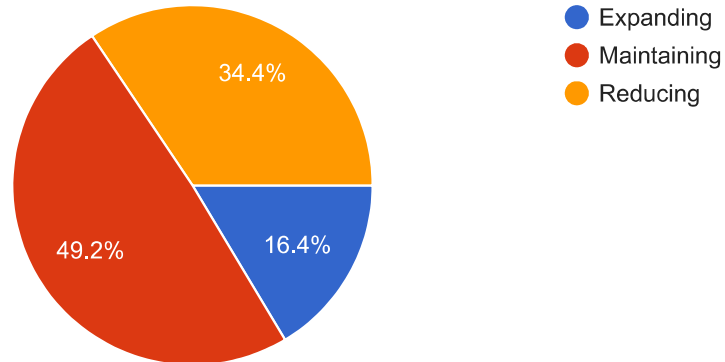
What are your top three concerns for the future of your business?



Are you considering expanding, maintaining, or reducing your routes in the upcoming year?

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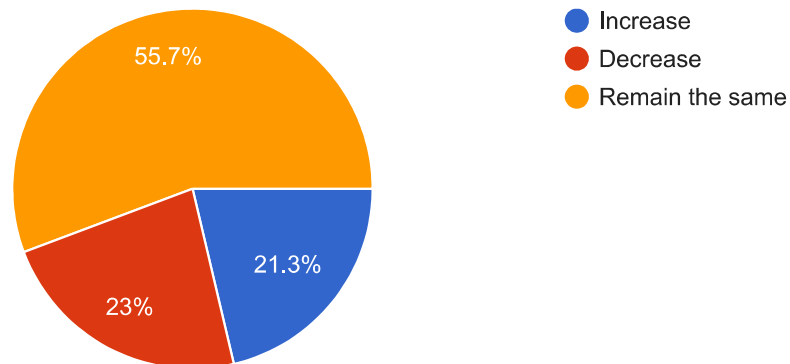
61 responses



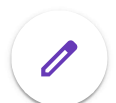
Do you believe the demand for delivery services in your region will increase, decrease, or remain the same in the next year?

 Copy

61 responses



### Anecdotal Insights



Can you share a specific challenge you've faced in the past year and how you addressed it?

33 responses

Getting employees approved in a timely fashion

Fleet maintenance. I employed a full time fleet technician to take care of all small maintenance issues. PMs, tires, brakes etc

Showing profit

Increase in rates. No new equipment. Deferring maintenance.

Hiring drivers in GA was taking almost 2 months to get through the process. Hired AVP drivers instead

Contract pricing - moved to 50% stops in AVPs

Price of tires and fuel

Contract negotiations never take into account special circumstances.

Sunday specifically is a challenge because we do not have enough freight to actually run seven days a week. Consequently it is a payroll burden.

Labor costs are through the roof with no help from FedEx. I've changed my schedule around and offered unlimited days off without pay.

Keeping qualified drivers.

Hired a recruiting company to find new employees.

Cut down on maintenance costs by acquiring a service truck and hiring mechanic

Contract failing to cover expenses. We've shopped and switched vendors for lower rates.

Company seems to be clueless on a daily basis when it comes to package count the night before

Pay we get less and less for pay while inflation and wages go up. 26% less pay than before pandemic.

poor contract rate





Sort and package handlers is the worst I have ever seen. I can't fix it

Discrimination - harassment- threats

Forced to run ASA 40 miles from my nearest stop for 6 months. I demanded Contingency pay and got it.

Declining volume, nightly DRO inaccuracies from 5-25% off, both high and low with no trend

Quality of work force. I made an effort to over hire and replace the bad seeds and change the Corporate culture

Our new contract. Worked for hours on the unique characteristics. Actually had a FedEx negotiator laugh at me on the phone.

Keeping my fleet in working condition

Violation of contract and retaliation after pursuing a case with contract relations. There is no resolution seemingly

Vehicle costs are through the roof. We turned to Enterprise leasing. it's expensive up front but for the long term, it ends up normalizing costs over several years and we will always have fairly new vehicles.

Additionally, we have had a lot of issues with the available workforce and their willingness to show up when they're supposed to. We have started hiring so we have more people than we need so we can start weeding out bad drivers. We have decided we will never be held prisoner by our employees again.

Our contracts have been reduced year over year across the board. One small contract, our revenue dropped almost 15%...not because we delivered less but because FedEx gives us less money per stop, less money per package and less money for fuel. We have the exact same CSA for that contract. We cannot fathom how FedEx could reduce all of our revenue when the cost of labor, fuel and equipment has gone up drastically. We have had to utilize managers quite a bit more to drive and fill routes which takes a lot of time from their ability to do things that improve the company and help service.

As a relatively new contractor, I went from all business contract to a mix of home/business. I thought the drivers would find the transition easy to more stops lighter packages. They didn't and I had to overhaul my entire staff.

Inflation costs

Contract was at risk of not being renewed. Most stressful time in my entire life. Suffered health problems as a result.



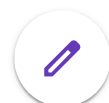
FedEx constantly micromanaging your business. They are constantly moving the bar and changing the rules of the game midstream. The biggest thing is navigating FedEx's micromanagement techniques. Also inadequate information as far as numbers go. Late dispatches inconsistent dispatch times.

Ability to schedule properly

Dealing w terrible loaders and loading truck myself

In order to get more efficient, I got bigger trucks and each truck does about 10-15% more per route than the same route a year ago.

Having a lower offer at negotiations in an inflationary environment.



Describe a recent success story or a significant milestone your company achieved.

29 responses

None

NA

Achieved Gold status....lol

14 months no accidents

We lived another year in this broken model

Gold for the last 6 months of the year

Fully trained 2 new successful contractors

Had an excellent PEAK from all standpoints

We have been able to survive, due to lack of volume for a seven day work week

We were in the first class of Gold contractors and continue to stay gold.

Highest performing peak season as a company.

2M miles last year

Gold Status

Gold medal status in all but one month. Top five in district for PPOD quality. Top 3% company wide in customer satisfaction.

none

Maintained contract thru legal proceedings

24th year of operation

Negotiated higher paying contract, on average \$0.57 per stop higher

98.8% local inbound for peak.



We had a very successful Peak after acquiring the company only a few short weeks prior to Peak starting

The only positive this year for use what that peak was a success. We generated a lot of revenue which will help keep the company profitable for the year.

If you consider overhauling our entire staff then yes!

We were 2023 EOY we've been gold most all of last year. Participated in the Pittsburgh gold medal of celebration. We were past EOY winners in 2018.

We improved safety

Didnt go bankrupt off the putrid pay

Reduced payroll by 20% YoY.

Entrepreneur of the year



If you could suggest one change to improve contractor relations, what would it be?

42 responses

Partner stop lying

More transparency on how rates are calculated.

Dispute process for Ryde

Better contract \$

Nothing we say matters. Why bother.

Get rid of them because they are a waste if money and divide that none within the contractors

More fair pay. They are making a killing on express and we are taking it over for super cheap rates

Honestly. True Partner ship

FedEx must address it's high internal organization and overhead cost issues, and stop making the quarter financials by reducing contracted prices

Treat is like partners, not enemies

Ask us what our business cost have increased by.

Better Pay

Get rid of this ridiculous Sunday service. We do not have enough volume even in the metro areas to continue the service.

That FedEx would listen to contractors more.

FedEx to understand that wages, repairs, vehicle purchase costs, insurance and fuel are not what they were 10 years ago, and to bring more money to the table so we can survive as a partner to FedEx.

Team wait times are ridiculous

Pay more money

Increase contract value.



Be honest and recognize our challenges when presented, lack of interest in our well being

Pay and be a partner not a dictatorship

management with better knowledge of pick up and delivery operations

Communication more

Enforce the contract uniformly

I have zero confidence with BDS. Nothing will change that.

DRO NEEDS to be more accurate

To promote incentives for us to make more money, not promote/invent new ways for us to lose money.

We are your partner. Not the enemy . Treat us like a partner

Please do more than just listen. Make some positive changes to help contractors.

Increase contracting rates so we can afford to pay our drivers a fair rate and invest in new trucks

Reasonableness

Transparency

FedEx needs to stop forcing regulation after regulation on contractors. We have to spend so much time training drivers before they can even get on the road....at a great monetary cost. We do not get compensated properly for the amount of money we have to spend on training.

Additionally, FedEx knows damn well that most contractors have massive amounts of debt and rely on continuing the relationship to service that debt. When they "negotiate" they give us an ultimatum rather than a true opportunity to negotiate. Submitting unique characteristics is a joke. It has to be in the format they provide and you do not have an opportunity to truly submit the characteristics that are unique to your company. Negotiations should be just that, an ability to speak about what a company reasonably needs to survive without a very short acceptance timeline.

I have so many more but need to list this one as well. Station personnel do not know anything about any process other than sorting packages and tracking service. When we have a question, they rarely have an answer. Often when they do have an answer it's wrong. We have spent so much time finding answers ourselves and completing processes that the terminal should be able to assist with but can't. It exhausting and frustrating.



More assistance from FedEx in navigating as a new contractor. There is absolutely no help.

A better contract with more money

Better pay.

1) Stop changing the ISP agreement and adding new schedules that only erode the contractor profit margin.

2) Get rid of ARC. They are more than happy to fork out large sums of "our" money to repair so called damaged property

The contract relations department does not exist anymore at FedEx.

Improve rates

Go back to old pay system under IC model, isp pay has been terrible ever sense it started and the whole talk leading up isp was how much more money we would make and could negotiate everything, there is 0 negotiating, it's all take it or leave it, predetermined, shuffle things around to same gross outcome, none of it considers how much inflation is going on or the insane amount of oversized we haul, you should make more money every year not the opposite

Their needs to be a contractor liaison

Communication

Accept that small business owners are taking risk and should be rewarded for that risk.



Are there any upcoming industry changes or trends that you believe will impact your business positively or negatively in the next year?

34 responses

No

Electric Vehicles

USPS aggressively targeting more ground business

Pay

Express integration projected summer 2024

Express

NA

Presidential race with impact my business this year

Express integration is going to make us more inefficient

Amazon and UPS, and probably other smaller logistics companies, will continue to take share from FedEx because they are more efficient and changing more rapidly for the future

nothing positive

Yes labor competitiveness.

FedEx is in a fight with Amazon and it looks like they are winning

Express integration hoping for the best.

California making everyone go all electric too fast is scary

Merging Ground and Express will increase volume but remains to be seen if it is positive or negative for profitability.

War

none

We are still in a slight depression





Potential Loss of USPS contract - taking on express for less oay

Underpaying contract won't keep pace with wage and general inflation.

If Biden gets re-elected, the economy will TANK even more

Rising costs for everything will impact the industry as a whole

Unsure at this point

The integration of Express volume should be a good thing for us right? I'm worried about it. I haven't heard anything positive about Express integration in terms of profitability or the professional relationship with Terminal staff. It will change our daily operation and take a lot of work to coordinate with yet again, no financial incentive.

Negatively, taking on express at e-commerce rates

Not sure.

None

I don't know of any trends. Unless we get Express volume and FedEx does what they should do and compensate fairly.

Express rates

Inflation without more compensation

Yes, Network 2.0.



Share an experience that exemplifies your relationship with the company your contract is with.

27 responses

Told we have access and support but when you need it it's not there.

Ok

Look at how they've treated us. No relief from inflationary pressures. Shows in their financials. Thieves. I hate everything about this business. They've ruined me.

Nine

Negotiation... pricing way off target ... after numerous submittals, corporate agreed that the regional engineering was busy and did a poor job, had to be redone/restarted

It is the Flavor of the Week what FedEx wants to manage or change rules

When I started this venture, I thought it was a partnership, our terminal makes it us versus them

18 years of business together.

They are in it for themselves.

Our station management is great. Engineering either doesn't understand or doesn't care how cubic feet of packages and bulk cargo is impacting our efficiency and profitability.

Terrible

none

The management doesn't care about their contractors but hold us accountable for their mistakes

Their estimate for the number of deliveries I need to plan for is off every day by 10-30%. They have done nothing to improve this, even though it is the largest driver of inefficiency I have

None

They just need to stay out of my way. Do that and everything will be fine.

Senior manager last week asked me to buy out another contractor



The FedEx Negotiator laughing during our call summed it up for me.

Went to one of the Senior Exec sharing sessions back in November 2022. Execs claimed they were listening and make positive changes. Nothing has changed. Have lost complete trust in executive management at FedEx

N/A

We have several contracts. A Contractor about 5 hours away from us walked away from their contract with zero notice. We were asked to run contingency so we did. We brought drivers, trucks, ipads, scanners and everything else needed to get it done. We were up and running in a terminal five hours away from our within two days....we ran for six weeks and had the terminal caught up. It was a complete shit show. FedEx missed several payments to us and when we did get paid, it was always the wrong amount. We floated tens of thousands of dollars to make it happen and had to fight to get paid. The terminal manager was the worst person I've ever worked with at FedEx. I made sure that we only communicated via email or text so that I had record of his behavior and ineptitude. Doing the contingency work hurt our overall service for the company under which we ran contingency. We took all of the risk and ended up breaking even. In the end we gave notice and walked away. We did everything in our power to bail FedEx out and were met with problem after problem on the FedEx side that they were unwilling or too inept to fix. We will never run contingency again.

I have tried to build a solid relationship w the terminal staff. I have realized that they can be a very good tool to assist me in the early stages of building my company

Stop pushing more on us and let us run our business

Adversarial relationship - any request to "review" a policy or accident expense is immediately returned as "the decision stands" without any further explanation or true investigation. When it's not their money, they are very quick to shut down any dialogue

In spite of the constant micromanagement and rule changes and moving the line and taking two steps forward and getting knocked back three I have managed to stay in business 31 plus years. I enjoy what I do.

We bring up inflation, higher cost, try to adjust schedule k....crickets, it's all correct and that's all you're getting

We are the solution to the problem. The company that we work with is unable to perform at the level of service that we provide.



## What's one thing you wish outsiders knew about the challenges and rewards of being a Service Provider contractor?

32 responses

We are at the mercy of the parent company in all things. Employees without benefits or protections

This is not a passive income type venture! If you're not prepared to be at the terminal on a regular basis, let alone not prepared to don a uniform and get behind the wheel to deliver packages, then don't waste your time. Have a solid understanding of our logistics world and ensure that you have a good culture embedded in your company.

How bad the parent company treats the isp

More work less money

Not to do it.

As soon as you sign a contract you have 1 foot in the grave. You need to try and keep the second foot above.

We make cents on the dollar compared to fedex

I don't want them to know, I need to sell

Don't do it. It's not what it once was. RUN RUN RUN

The rewards are investing a lot of your money, and not getting any return on your investment, negotiations are not a negotiation!

That we take all the risk with very little reward.

Financially and emotionally stressful. Can cause strains on personal relationships/marriages. Rewards.... You can say you own your own company.

The hours are long, the pay is not.

How important it is that their address is clearly displayed and accessible.

Companies lie and take your money without real appeal process, outright thievery

Don't do it



none

There is no rewards anymore. Challenge is trying to figure out how to dig yourself out of your grave that Fedex puts you into from the beginning

That we put out all the risk and monies and corporate accepts no responsibility unless it's something that makes them look good

No comment

Fedex is a terrible business partner

We get our best. Leave your dogs inside if you are expecting a delivery

We aren't FedEx. People think they are going after a big conglomerate. We are a small business owner just like them.

The difficulty of being a business owner but at the same time having everything mandated by someone else

FedEx does not give a shit about contractors. We work so hard to make things happen for FedEx and don't make great profits. It's a living and supports my family but it is not worth it. Contractors take all of the risk, take on all of the liability and do not get compensated commensurately for it. FedEx has the memory of a gold fish. We bail them out all of the time and are met with a constant barrage of texts, phone calls and email about equipment, service and FedEx specific requirments. Do not invest in this business unless you can go into it with zero debt.

The inconsistency of the drivers

The terrible pay we make on our contract.

The contractor is at the financial mercy of the company. Take it or leave it. Very difficult to do when "leaving it" means walking away from your entire life savings

It cost more than most people realize to run a business it definitely cost more than what FedEx realizes it does. Just because there's a big number at the end it's not what you gross it's what you keep

We continue to put in money

Everything...everything falls on contractor shoulders.. weather, late trailers, half the preload employees no show for work, who cares it's contractors fault it didn't get delivered for pennies on dollar, every surcharge that's added each year by the company, we don't see an increase in pay



We provide a service to our community that is difficult and challenging with a partner that means well but can't adjust quickly enough to make changes in their operation on a building level to make each driver's day a little better.

Thank you

Please provide any feedback you have regarding this survey.

15 responses

Good start.

Hope it does some good

NA

Fedex must get better with the contractors with communication and their value to FedEx or they will lose alot of good people

Hope it helps get us more money

do something useful with it

Hope it makes a difference

I hope this isn't all for nothing.

This is all the truth for terminals in Macon Ga, Birmingham AL, Columbia SC and Rivierac Beach FL

Is this going to make a difference or is it just another save face???

Thank you. I know there are a lot of people out there trying to make change.

Thanks for doing this. I hope thousands of contractors take this survey and it can be presented directly to FedEx.

If things dont change, i will be leaving fedex

I hope FedEx will listen to some of these surveys. Survey was fine

It's difficult to put into words on a form of what we need to make the operation work smoother.

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