



Keep on truckin' – the merger of Knight and Swift

Two events have greatly affected the trucking industry in recent years – the advent of online shopping and the merger in 2017 of Phoenix-based trucking companies Knight Transportation and Swift Transportation.

At its closing, the all-stock deal gave the combined companies an enterprise value of \$6 billion, according to Forbes magazine. The company became known as Knight-Swift Transportation.

The headquarters remained in Phoenix; the merger provided resources that included 23,000 tractors, 77,000 trailers and 28,000 employees.



The February 6 REIAC Southwest Fireside Chat at Paradise Valley Country Club featured company leaders Jerry Moyes and Gary Knight. Moderating the panel was Commercial Executive Magazine Publisher Mandy Purcell.

Although the company is worth billions, it came from humble roots in Plain City, Utah, a city of about 7,000 near Ogden.

“I guess we have diesel fuel in the water,” Knight joked. “We eat, sleep, drink, and conceive in the trucks.”

It all started with CR England, a potato hauler out of Idaho. Knight spun off of Swift and the wheels of progress began to turn.

“Everyone (in Plain City) had a fast car, including Gary and I, and that was about it,” Moyes recalled. “In hindsight, we were all broke and never knew it. It was a fun time.”

A strong work ethic helped forge the background of both Moyes and Knight.

“You worked before or after school,” Knight said. “It was part of the process. I guess you can say it was fate and destiny that we all became truckers.”

Moyes graduated from college in 1966 and started Swift with one truck and \$5,000.

The Knight-Swift merger was completed on Sept. 8, 2017. Prior to the merger, Knight Transportation went public in October 1994. Swift Transportation went public for the first time in 1990, and was privately held from 2007 until December 2010 when the company went public again.

“We made it through some difficult times, but in the end it made us all stronger,” Knight said.

While there was light banter between the two, they did agree one thing: 2018 was a “banner year.”

The company owns 1,600 acres of land and 100 real estate assets. It has 78 properties in the U.S. and Mexico and leases another 28 properties. What is buoying the company’s success?

“The future of this economy is what happens with Costco and Walmart,” Moyes said.

“I’m bullish about this year and the next. Costco is looking at another 10 distribution centers thanks to internet business. A 3 percent increase in Walmart’s gross revenues created the need for another 150,000 truckloads of merchandise.

“The world has really changed since the days back in Plain City,” he added.