
2004

Taking safety to the airwaves

Carlisle Carrier Corp. invests in four-wheeler awareness

By Avery Vise

Carlisle Carrier Corp.
Mechanicsburg, Pa.
Funds television ads to help car drivers share the road with trucks

Sean Kelley

Several years ago, Karol Kabroth, director of safety and claims administration for Carlisle Carrier Corp., noticed that many of her company's accident claims originated close to home. Some of the crashes involved automobile drivers that had made poor driving decisions — pulling in front and stopping, hanging in the no-zone or not yielding when entering traffic from a ramp. "These people don't know how to drive with us," Kabroth says.

Although Mechanicsburg, Pa.-based Carlisle serves grocery warehouses from Maine to Virginia and west to Ohio, the carrier's drivers face considerable traffic congestion in the local area. Mechanicsburg is virtually surrounded by Interstates 81, 581 and 83, U.S. 15 and the Pennsylvania Turnpike. In addition, the local region boasts strong warehousing and trucking activities. The combination of busy, interchanging interstates and concentrated truck traffic meant that Carlisle could see claims from local accidents grow.

Rather than continue to face significant, and possibly growing, claims in the local region, Kabroth looked for a solution. When Carlisle faced accidents caused by the errors of its own drivers, the carrier, which operates approximately 150 trucks, had always taken prompt and aggressive action. For example, the company launched a driver awareness campaign when it noticed an increase of backing accidents. The GOAL campaign, for "Get Out and Look," included buttons, decals, in-cab messaging, driver meetings, paycheck flyers and various other media.

The new challenge was different. The audience for Carlisle's intended safety message was not its own workforce but the traveling public. In particular, Carlisle was concerned about local-area commuters who traveled the highway system on a daily basis and were more likely than through travelers to exit and merge — activities that increased the risk for crashes.

Kabroth quickly settled on her media of choice. "I picked television in hopes of getting the messages out to the public in a short time," she says. Kabroth decided that quick safety tips to help automobile drivers understand the operation and limitations of large trucks would be the way to go. So she worked with two Harrisburg, Pa., television stations to formulate a plan.

Using primarily voiceovers, text and footage shot when Carlisle ran driver recruiting advertising on television, the 15- to 30-second safety tips, courtesy of Carlisle Carrier Corp., would run following the news throughout the day — morning, afternoon, evening and late evening — every day of the week for one week of the month. Ads every day of the month would be too expensive, and Kabroth thought that a more saturated message for one week each month would be more effective than spreading the ads out.

But Kaboth's budget didn't accomodate the ads' $1,000-a-month cost. Her first strategy was to invite other trucking companies in the region to participate, but they weren't interested. "They wanted to make it into a recruiting ad, and that's not what this is about," she says. So Kabroth approached Carlisle owners Dave and Cookie Metzler about spending $12,000 a year for the ads. The Metzlers immediately said yes. Kabroth was not surprised. "The owners backed me 100 percent. They put safety before everything."

Targeted at car drivers, Carlisle Carrier Corp.'s TV campaign offers tips on how to safely share the road with large trucks.

Kabroth began assembling the tips, relying on authoritative safety information about sharing the road with trucks. But first, she spoke with Carlisle drivers about what unsafe practices they saw on a daily basis.

The top complaint was automobile drivers who sped down on-ramps, expecting trucks to move into the left lane for them. That concern led to a spot warning automobile drivers that often truck drivers can't change lanes to accommodate yielding on-ramp traffic because it would be dangerous for them to do so.

Another ad warns automobile drivers not to cut off trucks in passing or merging situations because of how long it takes a truck to slow down. Other tips include warnings to steer clear of blind spots and to leave at least two car lengths between the car and the truck. Kabroth continues to talk with drivers about the problems they see, and she also draws on her daily experience commuting in the congested I-81 corridor.

Kabroth believes the ads have helped Carlisle control its accident claims in the local area, although the connection is hard to prove. But she sees other clear benefits as well. The campaign has received favorable comments from the general public and from truck drivers. "People have called who want to drive here because of the safety tips," Kabroth says. And Carlisle has been asked by the state public utilities commission and the state police to provide trucks for use in other educational and training initiatives.

The concept is slowly catching on. Kabroth says that the Pennsylvania Motor Truck Association recently agreed to kick in funds so that PMTA's South Central Chapter can expand the safety tip advertising in the Harrisburg area and build a website. Kabroth is encouraging other PMTA chapters to launch similar efforts.

Reaction to the safety tips hasn't been universally positive. Sometimes people who hate big trucks vent to her and others at Carlisle because the carrier has chosen to raise its profile. When that happens, Kabroth sends them more information about sharing the road with large trucks. ■

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Ozark Trucking Co.
Sacramento, Calif.
Adopts anti-idling technologies early to gain experience and help the environment

Plugging into the future

Ozark Trucking takes plunge into electrification.

By Sean Kelley

In Ed Gamache's ideal world, there would be a plug everywhere his trucks go. There would be a row of electrical outlets in his Sacramento, Calif., parking lot, dozens of them at shipper docks and plugs at every truck stop and rest area along California's highways. In an ideal world, Gamache, senior safety and maintenance manager at grocery hauler Ozark Trucking Co., would actually be making money on the two trucks he's equipped with idling alternative systems.

Courtesy of Sacramento Municipal Utility District

As it stands now, the trucks are just breaking even. Still, Gamache plans to order seven additional trucks equipped with 600 pounds of extra batteries, inverter and electrically fired HVAC system so that some of his over-the-road drivers don't have to idle. Why bother when it may take six years to see a return on investment?

"If there was no payback, but it didn't cost me anything, I would still do it," Gamache says. "I would do it because it's good for the environment. There doesn't have to be a payback."

Gamache, who manages about 70 daycabs and 30 over-the-road sleeper-equipped trucks, may be an environmentalist at heart, but he also understands the business power of being out front on this issue in an environmentally sensitive state like California. The carrier and its parent company, Raley's, a large grocery store chain that runs 65 trucks of its own, are community oriented and environmentally conscious. Equipping trucks with idling alternatives like shore power and battery packs as Ozark has done, or running eight zero-emission, liquid natural gas trucks as Raley's does, returns public relations dividends. "A lot of the things we're doing support that philosophy," Gamache says.

But these steps also follow Ozark's tradition of technology investments. "We've always been somewhat progressive," Gamache says. "We had onboard computers before anyone else. We've tried to be current or helping lead the way in new technology."

The technology helps the fleet achieve its goal of reducing idling across the board. And while the idling alternative technology in which Ozark Trucking has invested may not return huge financial dividends, it still has the potential to, says Bill Warf, a project manager for the Sacramento Municipal Utility District (SMUD), which is picking up half the tab on the equipment. Warf estimates a 75 percent reduction in idling time on Ozark's two trucks.

"We documented the average idle time for seven of Ozark's long-haul trucks, and they were averaging 1, 788 hours of idling per truck, per year," says Warf, who first approached Ozark Trucking with the anti-idling proposal in early 2003. "With our idle-reduction technology, we should see a reduction of 1, 344 hours."

As the price of a gallon of diesel climbs above $2 a gallon in California and heads for record territory nationally, the opportunity to save gets better and so does the return on investment. The federal government's Argonne National Laboratory estimates an idling truck burns around one gallon an hour, which works out to $1.60 per hour at March's national average diesel prices. The tally: around $2,150 per truck annually.

Ozark is realizing fuel savings much closer to $1,800 per truck per year, Gamache says. But much of those savings are siphoned off by the $6,500 cost of the extra equipment, even though SMUD, through a $200,000 U.S. Environmental Protection Agency SmartWay program grant, is paying half of it.

The system includes a Dometic air conditioner/heater unit, a Xantrex inverter/charger, a Phillips & Temro basic cab wiring kit and from one to three Lifeline VRLA batteries. Depending on the number of batteries, the system provides from 6 to 8 hours of idle-free operation. But Gamache doesn't yet know how long the batteries at the base of the system will last. If those units have to be replaced — at nearly $300 each — the return of investment on the system might take as long as six years, which is Ozark Trucking's typical trade cycle.

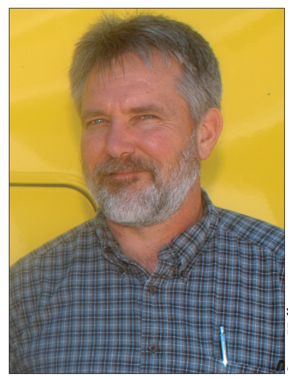
"This is a bridge technology," Gamache says. "If there were plugs everywhere, we could do this with a smaller battery system and a small addition of weight. The system's price drops down in the $3,000 range, and our battery replacement costs go away."

Other barriers exist as well. Warf says the biggest hurdle to electrification — whether at truck stops or carrier yards — is tradition. Truckers think trucks are supposed to idle, says Warf, whose first job was as an engineer building Peterbilts. In the two years he has been involved with the anti-idling program at SMUD, Warf has found it difficult to win fleet participation. "Carriers don't have much interest in shore power because there are no plugs where they go. It's not what truckers do and carriers have to invest in equipment."

"Whenever you talk about making changes, you have to remember the industry," Gamache agrees. "The lights have to be on if the truck is parked, the truck can't move unless the CB works and you have to idle it if you're going to be a truck driver. That's probably what they teach you in the first day of school at Western Truck Driving School."

To counter that mentality in his own fleet, Gamache has included idle time as part of a complicated bonus formula. The more a trucker idles, the lower his bonus is — high idle time can eliminate bonuses altogether, meaning as much as $1, 500 in a year.

To entice fleets, however, the system must produce returns, says Warf. Today, he can offer fleets a grant-based supplement on the equipment, but ultimately a system has to earn money for the trucking company. "I've tried to show how this kind of a system can save money," Warf says. "I think the reason that Ozark Trucking wants to add seven trucks instead of 30 is that we don't really have a persuasive case yet that this system has an attractive payback. It's a business decision."



Sean Kelley

Ed Gamache, Ozark's manager, and Bill Warf, a project manager at SMUD, have partnered to push idle alternative technology.

That decision may ultimately be easier to make as plug-in spots appear. SMUD will soon outfit Ozark Trucking's parking lot with enough plugs for the new trucks, which Gamache is ordering, and the utility is approaching some of the grocer's customers, hoping to add more spots. A local truck stop has a number of parking slots wired and reserved for shore power. Anti-idling regulations and additional grants are also spurring interest in idling alternatives, both in California and New York. If the trend continues, which is likely considering the cost of fuel and the EPA's emphasis on idle-free corridors, some day in the not-too-distant future the anti-idling system Ozark and SMUD have developed could turn real dividends.

From a business standpoint, the opportunity is hard to ignore. While idling costs as much as $2.40 an hour in California, depending on the price of diesel, plugging in costs between 8 and 20 cents over the same period. If the infrastructure can be built, then more carriers will follow Ozark Trucking's lead. ■

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Wooster Motor Ways
Wooster, Ohio
Integrates wellness initiatives to reduce health care costs and promote driver retention.

All is well

Wooster Motor Ways invests in employee health.

By Avery Vise

Paul Williams doesn't take good health for granted. In a short period of time, cancer claimed the life of his father, who previously ran Wooster, Ohio-based Wooster Motor Ways, and the company's vice president of operations, who had worked with Williams' father for many years. The personal loss was enough to motivate Williams, now WMW's president, to worry about employee health. But there also were significant financial considerations. WMW self-insures for the bulk of its employee heath care coverage.

The Williams family's first step was to add a new opportunity to WMW's health coverage — a free annual physical, up to $300, for each WMW employee and spouse who wants one. Costs above $300 are covered by an 80/20 co-pay. It's a sizable financial commitment, but Williams doesn't doubt the wisdom for a second. "We believe that's an investment. If you detect one instance of cancer, it pays back."

President Paul Williams has noticed more employees using the company's fitness room since he started using it early this year.

The free physical has uncovered several instances of cholesterol, blood pressure and blood sugar problems that might have gone undetected until they developed into more serious conditions, says Don Cherry, WMW's director of safety. But following these successes, Williams, Cherry and others at WMW came to recognize that detection was only the beginning. WMW management began to see a deeper mission: helping employees cope with and even avoid those early stages of health problems. On the foundation of company-wide physicals, WMW recently began what today is a full-fledged wellness program.

One champion of the wellness initiative was Ron "Doc" Ramage, WMW's driver services and safety compliance manager. A former driver, Ramage functions much like a driver advocate within management, helping the carrier communicate more effectively with drivers, provide a better work environment and encourage drivers to operate more safely.

WMW created Ramage's position in 2001 as part of a reorganization aimed at improved driver retention and satisfaction. At the same time, the carrier converted to a driver manager system from old-style geographical dispatch. The driver manager system allowed for closer management of and consistent treatment of drivers for the mutual benefit of drivers and WMW, says Scott Spitler, WMW's director of operations.

"Doc felt we could take [the wellness program] a little further," Williams says. Like Williams, Ramage had a personal motive. He was a cancer survivor, having had prostate cancer detected in the early stages.

What the WMW managers wanted was a program that addressed the problems that can arise from the trucker lifestyle — long hours spent sitting and eating on the road. "A sedentary lifestyle will lead to health issues," Cherry says. Out of that concern grew the idea for meetings one Saturday each month during the winter at the local Wooster Community Hospital, beginning in November 2002. The meetings, which are open to employees and spouses, are held only in the winter, Williams says, because there are too many competing activities at other times during the year. During the first year, attendance averaged 45 employees.

WMW converted a surplus 48-foot trailer into a fitness facility.

Don Cherry (right), WMW's safety director, helped implement most of the company's wellness initiatives.

At each meeting, held in the hospital's auditorium, a dietician covered various topics, such as which foods are especially healthy, how food should be prepared and how they can be packaged for drivers to take on the road. At each meeting, participants are served healthy snacks.

The monthly meetings also have covered the importance of exercise, including workouts that could be done while sitting or while at a truck stop or in a hotel room. At one meeting, hospital personnel drew blood to check cholesterol levels. One employee was found to be borderline diabetic and was able to be treated without insulin, which would have disqualified him from driving.

At another meeting, a hypnotist associated with the American Lung Association tried to help employees quit smoking. The company and employees shared the cost of that particular program, although the company offered employees their money back if they quit smoking for at least six months.

The pro-health mindset has spread throughout WMW. In the offices, traditional vending machines are gone, along with their snacks and sodas chocked full of sugar, fat and sodium. In their place, the company installed machines that dispense soups, salads and juices.

The latest product of the wellness campaign is a fitness facility, available 24/7 to any WMW employee. When the idea first came up, WMW managers started looking for potential spaces to sacrifice to a workout room. But WMW's maintenance director offered up a more cost-effective solution. At a cost of about $18,000 the company converted an old, unused 48-foot trailer, installing cardiovascular equipment, weight-training machines and free weights, as well as lighting, heat, air conditioning, carpeting and a television with cable.

WMW opened the fitness trailer in August last year, and as of March, the company had handed out more than 60 keys. Williams himself began using the fitness facility early this year. "Since I started using it, I have noted a big increase in others working out," he says. Additional wellness activities in the works include walking groups and exercise and weight loss challenges.

Williams concedes that the payback for WMW's wellness programs is hard to quantify, but he is certain that the company is helping employees change habits and address problems that would otherwise lead to serious illness — and big hospital bills.

Turnover has dropped from 44 percent in 2001 to 26 percent by the end of last year, although the company doesn't claim the wellness program is responsible. Williams and his team attribute that success mostly to switching to a driver manager system, establishing Ramage's position and various other efforts, including driver appreciation events three times a year at which drivers can raise any concern — without their driver managers present.

Williams also thinks that greater care in hiring has helped with retention. The company last year, for example, began using a screening test developed by an industrial psychologist to assess applicants' communications skills, time management, ability to read maps, honesty and math skills. By the end of the year, the company had rejected 26 applicants based on the screen who otherwise would have been hired. "We're not bringing guys on that we aren't likely to keep," Williams says.

Still, Williams believes the wellness initiative plays a role in reducing turnover. As he says, you can't retain a driver who doesn't remain alive and healthy. ■

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Awake at the wheel

Hogan Transports fights fatigue by managing it one driver at a time.

By Avery Vise

Hogan Transports
St. Louis, Mo.
Actively manages driver fatigue during overnight operations and uses a monthly meeting of top management to identify safety challenges and brainstorm solutions.

On the last Thursday of each month, senior management of St. Louis-based Hogan Transports convenes to talk safety. The gathering is neither pep rally nor lip service. Rather, it's an honest performance review that involves Hogan's president, the heads of the safety and finance departments, insurance consultants and the top operations executives for Hogan's dedicated and over-the-road ventures.

"The key to the whole safety program is the management safety committee," says Tom Lansing, Hogan's vice president of safety and driver services. Everyone provides input and fresh perspectives; a consensus reinforces the company's commitment to safety throughout the operation, he says. That commitment helped Hogan take Grand Prize in the Truckload Carriers Association's National Fleet Safety Awards for 2002.

Tom Lansing (right), vice president of safety and driver services, and Don Lewis, safety manager, implement the initiatives Hogan Transports' management safety committee adopts.

The committee meetings typically cover what's happened in the previous month – significant accidents, cargo claims, stolen equipment or cargo, workers' comp experience, roadside inspections and reports of internal and third-party safety observations. The sessions are data intensive; charts and graphs abound. Managers look both for long-term trends and sudden, unexpected problems.

The committee develops new programs and drives changes in policy and approach. Several years ago, for example, managers wanted to enhance Hogan's efforts to identify and correct bad habits before an accident happened, so the committee adopted the Hogan Observation Safety Team. Under the HOST program, a select group of drivers observes peers' safety behavior – such as speed, following distance, signaling or maintaining three points of contact when entering or exiting a truck – and coaches them on proper technique. Hogan uses the information HOST drivers collect to track critical safety behaviors but not for discipline or enforcement purposes.

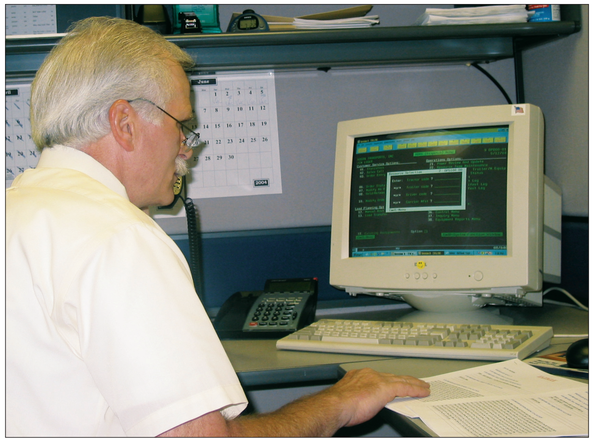
Another initiative that demonstrates Hogan's commitment to safety is the company's winter weather shutdown policy. Each day from October through April, Don Lewis, Hogan's safety manager, reviews weather throughout Hogan's operation. If he decides the weather in a given area makes it unsafe to drive, he sends a fleetwide message, ordering a shutdown of operations in that area.

Many shutdowns have been localized, although once Lewis ordered one from St. Louis to Albany, N.Y. After Hogan declares a shutdown, the company notifies customers with affected loads of possible pickup or delivery delays. The safety of the driver, truck and load take precedence over schedule.

This "safety first" attitude also drives Hogan's most unusual initiative: A system for managing driver fatigue.

"Fatigue has always been an issue, but the industry didn't always recognize it in those terms," Lansing says. In 2000, the carrier chalked up 23 accidents to fatigue. With the pace of fatigue-related accidents still high in early 2001, the management safety committee resolved to act.

As long as drivers remained within legal limits, Hogan's management had generally considered them to be in the



Jim Lager, Hogan's fatigue supervisor, draws on 30 years' experience in trucking to oversee more than 200 drivers each night.

best position to judge their own readiness to drive. But the numbers showed otherwise. Clearly, drivers didn't always recognize the signs of fatigue. Or, wanting to get miles or avoid a delay, they might not be honest about the quality of their rest.

In early 2001, the management safety committee discussed possible solutions. "Finally, it was [President] David Hogan who said that in order to continue to improve the safety of our drivers and the motoring public it was best to take the decision out of the driver's hands," Lansing says. So the committee decided to hire a fatigue supervisor to keep tabs on drivers who drove during late-night hours. He would have authority, if necessary, to order a driver to shut down and rest.

Hogan hired Jim Lager as fatigue supervisor in late May 2001. Lager came to Hogan with 29 years' experience dealing with driver safety at two private fleets.

"We wanted someone with maturity and experience whose background wasn't in operations," says Lewis. The concern was that a fatigue supervisor with a career in operations might instinctively be more sensitive to getting the load delivered than to ensuring the driver was sufficiently rested. And maturity and experience were critical because the job relies heavily on judgment and intuition.

Lager begins work at 7 p.m. Data showed that Hogan's fatigue-related accidents typically occurred between 11 p.m. and 4 a.m. Any driver planning to drive between those hours must call Lager first to let him know his status – how many hours he has available, when he last rested and so on. If drivers don't get Lager personally, they can leave voice mail messages. But they can't check in by e-mail or text messaging. Part of Lager's assessment is hearing the tones in drivers' voices.

Lager might get 220 to 250 calls or voice mail messages a night. He has learned from experience which drivers need attention and which don't. Lager will dig a little deeper with some to get a fuller picture of both the amount and quality of rest. In some cases, he might ask a driver to check in again in a couple of hours. Others he might ask to take a break.

While chatting with a driver or listening to voice mail, Lager can check recent satellite-tracking data to confirm that the driver's description of his status meshes with reality. For example, if a driver says he is coming off 10 hours rest but his truck has traveled 400 miles during that period, that's a problem. This rarely happens, Lager says, because drivers know his capabilities for verifying their statements. Lager also has a system for verifying that all trucks moving between 11 p.m. and 4 a.m. had checked in with him. But few drivers try to drive under the radar.

When Hogan rolled out the program not all drivers were enthusiastic about having someone watch over them. "We had to do some selling," Lansing admits. Some drivers left, and others decided not to drive between 11 p.m. and 4 a.m. But the negative reaction by some is one of the reasons the program is successful. Fewer drivers working overnight lowers Hogan's risk of fatigue-related accidents. "It's working without them knowing it," Lager says. He still gets called "babysitter" now and then, but drivers generally have made their peace with the system or moved on.

The numbers point to success. Fatigue-related accidents dropped from 23 in 2000 to 18 in 2001, but only six of the 2001 accidents occurred after Lager joined Hogan. In 2002 and again in 2003, Hogan suffered only seven accidents attributable to fatigue.

Lager has made it clear that he will act to protect the safety of a driver, truck and load – period. Not long after Lager joined Hogan someone in operations questioned whether he should have shutdown a driver who was hauling an important parts run for a key customer. Lager stuck to his guns, saying, "I didn't know those kind of loads made a driver less tired. We need to get more of those loads." ■

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Q Carriers Inc.
Shakopee, Minn.
Maintains communications channels with owner-operators and drivers through a driver council.

Lending an ear

Q Carriers promotes driver relations by providing formal communications outlets.

By Avery Vise

Greg Gorvin has little patience for rumor and misinformation. Indeed, the president of Shakopee, Minn.-based Q Carriers considers drivers' misunderstandings of carriers' actions, policies and procedures to be a big cause of turnover.

For Gorvin, communication starts with familiarity. When the company underwent a big growth spurt in the late 1990s, for example, he realized that he was no longer able to recall each name and face. So Gorvin committed himself to memorizing them. The company even created an electronic directory of drivers that included digital photos that dispatchers and other managers could access when communicating with and about drivers.

Avery Vise

Q Carriers President Greg Gorvin sees frequent meetings with the leaders among his owner-operators and drivers as an opportunity to tweak policies in a way to get maximum support or minimum resistance. He also takes the opportunity to teach and reinforce business management skills among owner-operators.

Despite efforts to get to know drivers, Q Carriers, which operates about 130 mostly owner-operators trucks, struggles with driver retention. The trucking company can't always match the pay of the big guys. Plus, the rebound in freight has intensified the driver shortage. Turnover "has really turned into a migrane," Gorvin says.

Considering that Q Carriers faces some recruiting and retention challenges that are largely beyond its control, Gorvin strongly dislikes losing owner-operators needlessly. It bothers him to hear that a driver quit out of anger or frustration – especially when the driver's reaction is based on a misunderstanding of the company's position or policies.

"You can't jump up and down about [an issue] without getting the facts," Gorvin says.

Recognizing that drivers typically pay more attention to what other drivers say than what a carrier tells them, Gorvin and his managers decided that a key strategy was to maintain regular contact with a core group of drivers and depend on natural communication channels among drivers to spread the word. "Our approach was to reach the leaders," he says.

From this strategy was born Q Carriers' driver council, a group that meets frequently with senior carrier managers to discuss a range of topics. There are no specific criteria for membership. Generally, the decision comes down to a driver's interest in serving and his commitment to make every effort to attend meetings. To encourage higher attendance, Gorvin maintains a consistent slot — 10 a.m. on Fridays — and holds meetings to two hours. The meetings are held irregularly, but generally they occur at least once every couple of months. The company provides at least two weeks' notice so drivers can juggle their schedules. Meetings typically will draw 12 to 18 drivers.

The driver council has no decisionmaking authority, but Gorvin and his executive team uses it as a sounding board for changes the carrier is considering and as a focus group for understanding driver concerns.

Those concerns aren't hard to predict. "The focus of the meeting from the driver perspective typically is 'I need a raise,'" Gorvin says. Usually, Q Carriers can't afford to give drivers that raise. "The pie is only so big." Plus, Gorvin questions the wisdom of an incremental pay increase. Ultimately, drivers don't appreciate it much because it doesn't make that much difference in each settlement. "But for me, it's hundreds of thousands of dollars."

But rather than becoming confrontational, Gorvin channels discussions of pay during driver council meetings into constructive areas. He gets drivers to focus on how the next increase in compensation will look once there is money to support it. "They know my position," Gorvin says. "In order for you to get more, there has to be something in it for me."

At an April meeting, for example, the driver council drafted a detailed proposal for a productivity bonus. Although Q Carriers wasn't prepared to implement such a bonus immediately, the company has a solid starting point for considering its next change in compensation. If the carrier does ultimately implement a productivity bonus, it can point to the driver council proposal for support. Other driver council proposals have made it to the implementation stage. The trucking company has a bonus program that basically pays for the owner-operator's license, for example.

Another way Gorvin sometimes steers the driver council meeting into a constructive discussion is to address owner-operators' costs. Owner-operators run about 110 of Q Carriers' 130 power units. "Our big push is how we can make these guys better businesspeople," Gorvin says. "We want to empower them with knowledge, tools and data."

Gorvin tries to drive home the point that owner-operators often can make more money by watching their costs than worrying about compensation. At one driver council meeting, he might address fixed costs versus variable costs. At another, he might discuss how certain cost-saving strategies could save an owner-operator $500 a year. "I say, 'If I were to lay a $500 check on the table, which one of you wouldn't take it.'"

The driver council's members generally are veteran drivers, but Q Carriers recently saw a need to reach out more frequently to new drivers. About six months ago, the company lost in one month about 60 percent of the drivers it had hired during that month. The spike in turnover got Gorvin's attention. He and his managers decided they should stick closely to recruits in their first few weeks with the company.

"In order for you to **get more,** there has to be **something** in it for me."

Each new driver is assigned one of five managers – Gorvin, the office manager or the head of the safety, recruiting or operations department. The driver gets a call from that manager once a week for two months and then less frequently for a period thereafter. The goal is early detection of problems that lead to turnover on an individual basis.

The turnover rate has not been that high again, but Gorvin can't say for sure that the weekly calls are the reason. He is convinced, however, that Q Carriers can't go wrong by keeping communication channels open. As Gorvin says, "The only bad question is one that's never asked." ■

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Grand Island Express
Grand Island, Neb.
Developed a lockbox to cover trailer seals, reducing the potential for a cargo claim because of a seal breaking in transit.

Sealed and delivered

Nebraska carrier designs device to protect against unnecessary cargo claims

By Sean Kelley

Sean Kelley

Tom Pirnie demonstrates his locking seal guard, which consists of a rectangular metal sleeve to protect the back and sides of the seal; a cover to protect the front of the seal; and a bolt that requires a special wrench to remove.

Tom Pirnie is the kind of guy who worries about bad things that can happen to his business and does something about them.

Last year, Pirnie, president of Grand Island Express, heard that one of his competitors lost $4,000 because the flimsy seal affixed to the competitor's trailer broke between stops. So he enlisted the help of an inventive cousin to keep the same problem from occurring to the Grand Island, Neb.-based carrier, which employs 90 company drivers and 45 owner-operators.

"Most of the things we've learned in our business, we've learned by doing it wrong first," Pirnie says. "The best learning experiences are the ones that happen to someone else."

More than 50 percent of loads hauled by Grand Island Express is beef — much of it coming from a processing plant across the street from the carrier's headquarters. The company hauls the meat west to neighboring Colorado and east to the Atlantic Seaboard.

The loads often require multiple drops, which is where problems can arise. When a load is first put on a trailer, the processing plant affixes a seal, a thin strip of numbered metal or plastic that is bound through the trailer's hasp lock. When part of the load is delivered, the receiver affixes a new seal through the hasp and so on, until all the loads are delivered.

In the past, a broken seal simply meant that the receiver and driver would count units of beef, and if the count was accurate, everything was fine. But the Sept. 11, 2001 terrorist attacks — and fear that the food supply could become a target — changed all of that.

In 2003, a driver for one of Pirnie's competitors arrived at his second receiver on a multi-stop run with a missing seal. Instead of counting the load and taking delivery, the receiver declared the load unfit for human consumption, and it was rendered.

"They were fearful the meat might have been tampered with," Pirnie says. "They charged the carrier $4,000 for the load. I'm not even sure if that was legal, but I'd rather not have to pay myself."

For the receiver, it didn't matter who was at fault in the situation. The first receiver might never have affixed a seal. It could have broken in transit or it could have been snipped by a competitor. Since the driver is the only one who can open the lock, the driver controls access to the seal and can be held accountable for any problems.

"When we heard about the story, we asked ourselves what can we do to make it more difficult to tamper with a seal," Pirnie says. The carrier that lost the load was lucky: The portion that was rendered was a partial shipment of cheap meat. If it had been a full load of high quality beef, the cost could have been much more substantial. "If it had been a full load of rib eyes — that's over a dollar a pound. A cargo claim like that would raise your rates."

Grand Island Express trailers already feature a low-tech security device designed to prevent cargo theft — a small metal bar affixed with a bolt to the trailer frame that prevents the door from being opened. A large Allen wrench is required to remove the bar, and Pirnie says thieves typically don't carry Allen wrenches in that dimension. The bar can be defeated, but it takes time — something Pirnie says most thieves don't have.

While adding security to the door was relatively easy, protecting the seal provided a greater challenge. The company had to develop a box to cover the seal and the hasp assembly and still resist efforts by a determined thief. The idea came from Pirnie's cousin, Keith Pirnie. The carrier's chief technician, Randy Kunze, produced a working model. The design had to work with cable seals as well as flat metal or plastic seals.

The group of would-be inventors spent time wandering through their customer's yards looking at trailer models and seeing what the seal guard's design required. After a couple of months of fiddling, the team had a prototype. They took it to a local manufacturer, who produced 50 seal guards. Pirnie passed them out to his drivers to experiment with them.

The staff also did its best to break into the locks. Pirnie took part in some of the testing himself, slinging a heavy sledgehammer at the final product until he bent the pin so badly it nearly required a blowtorch to remove.

Pirnie says his drivers are trained to inspect seals and have never had a claim like the one that his competitor suffered. The new lock makes that job easier, in part, because receivers can't break the seal without the driver removing the box.

"A receiver will say 'I'll just break the seal,'" Pirnie says. "My driver will say 'Go ahead and try.' This gives something additional for our drivers to do to make sure the seal is in place."

The final hasp and seal cover consists of three parts:

- A rectangular metal sleeve with a pin that slides through and around the hasp, protecting the back and sides of the seal.
- A stainless steel cover that slips over the base and protects the front of the seal.
- A specialized bolt that locks the box and requires a special wrench to remove.

Sean Kelley

The seal guard lock completely covers the seal, protecting carriers from potential fines.

A variation of the device allows a padlock to be affixed for loads and carriers in need of more security.

Once drivers began using the locks on their trailers, competitors and receivers took notice, asking where they could buy them. So Grand Island Express is now marketing the device — officially called the Enforcer Seal Guard Lock — through Transport Security Inc. in Waconia, Minn. Transport Security's John Albrecht says Grand Island Express retains the patent and will benefit from sales of the product.

"The exciting thing is that shippers and trucking companies will benefit from the invention," Albrecht says. Transport Security has improved the lock's design, making it more difficult to defeat.

"I'm not saying you can't get in there, but it's going to take tools and time," Pirnie says. "With seals, you don't know until you have a problem. We got a break in that it happened to someone else."

Now with his innovation, Pirnie is hopeful the problem never happens to him. ■

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A.D. Transport Express
Canton, Mich.
Leverages technology and management expertise to maximize productivity and return on investment.

Avery Vise

President Gary Percy (right) asked David Konopka (left) to lead the drive for quality certification. Then A.D. Transport turned that expertise into a profit center. Above them flies a Ford Q1 flag.

A certifiable success

Michigan carrier turns ingenuity and know-how into cash and productivity

By Avery Vise

Resourcefulness is central to the management culture at A.D. Transport Express. Present the Canton, Mich.-based automotive and general commodities carrier with a challenge, and it will find a solution in technology and changes in management process. And then it will try to find other ways to leverage those solutions.

In 1996, Ford Motor Co. notified its carrier base of its effort to have all carriers in compliance to ISO 9000 and Ford's Quality Operating System requirements. The payoff for the compliant carrier would be Ford's Q1 award, which, providing that individual service levels were maintained, would ensure the carrier would remain part of the Ford transportation family. For A.D. Transport, which operated about 125 trucks at the time, obtaining that certification became a top priority. Quality was, quite literally, Job 1 for the carrier.

A.D. Transport President Gary Percy marshaled his resources to obtain quality registration. To lead the effort, he called in David Konopka, who already was working on quality assurance initiatives in A.D. Transport's Chicago terminal. Konopka, now the carrier's director of quality, moved to Michigan and spent months documenting processes throughout A.D. Transport's operation. He also translated those policies and procedures into electronic files and forms hosted on the company's computer network.

The effort paid off. Working closely with Robert Djurovic of ISO 9000 registrar DNV Certification, A.D. Transport was certified in late 1997 to ISO 9002, the specific ISO standards that then applied to service companies. It became the first ground service carrier to receive Ford's prestigious Q1 award, which it now holds for both its expedite and truckload divisions.

Percy saw an opportunity for leveraging the company's investment in certification. "It was so painful and expensive, we decided we would take it to market," he says.

The result was a new division, A.D. Professional Services. Through software and eight weeks of training and modification, ADPS helps its customers — some of which have been direct competitors of A.D. Transport — implement quality systems designed to meet the requirements of ISO 9000. To date, ADPS has worked with more than 50 trucking companies, some of which are large. Celadon, which today operates about 2,000 trucks, was the second ADPS customer. A.D. Transport itself has grown to more than 600 trucks.

Konopka's team has continued to develop the ADPS package, converting it several years ago into an intranet Web portal that links all operations through a home page. "You can run the whole company through this," says Konopka. By translating policies and procedures into an electronic interface that can be used by everyone throughout the day, the company's quality manual becomes a living, usable document, he says.

Easing the hiring burden

A.D. Transport leverages its information technology skills in other ways. Especially in a tight driver market, the paperwork involved in hiring drivers can become overwhelming. "Administratively, it was a nightmare," Konopka says. The company, which hires about 40 drivers a month, addressed this problem about three years ago by developing a computer application it calls Recruiter 2000.

"Typically, it takes two hours of paperwork just to hire a driver," Percy says. So A.D. Transport programmers identified all the data fields necessary to generate the myriad of driver qualification documents required to hire a driver and, using Visual Basic, compiled them into a single computer form.

By filling each blank on a master form during the driver hiring process, the information automatically populates all required fields on more than 40 individual driver new-hire forms. A simple command key sends the information to a printer where the populated documents are retrieved. For now, A.D. Transport uses Recruiter 2000, which grew out of the ISO process, internally. "Rolling this program out to other carriers is likely in the near future," Konopka says.

Once the paperwork is done, new hires must complete orientation. A.D. Transport found a simple but resourceful way to provide orientation without demanding too much time of busy personnel. The company has filmed its own videos, which Konopka edited through PC-based software and burned to DVDs. The videos feature company equipment, drivers and managers and cover company-specific policies. The videos substitute for in-person presentations, thereby increasing management productivity.

Technology in the yard

The carrier has used cameras in another area. A.D. Transport once employed inspectors to check the condition of equipment leaving and returning to the yard. Aside from being an additional expense, inspectors were especially subject to absenteeism during harsh winter months.

Then one evening, Percy left his car with valet parking. As the attendant took the car he waved a small plastic card. Percy learned that the card was a radio frequency identification (RFID) tag. The system logged the identity of the attendant, and digital cameras snapped photographs of the vehicle. Faced with dubious complaints of damage to automobiles, the business now verifies a vehicle's condition as the driver hands over the keys.

Percy immediately saw an opportunity. Today, the company's equipment inspectors are gone. A.D. Transport now uses a system it developed in conjunction with Columbus, Ohio-based Interface Logic System Inc. Each time a driver approaches a gate, an RF reader scans tags attached to the tractor and trailer while eight cameras positioned around the tractor-trailer snap photographs.

Avery Vise

A.D. Transport uses RF readers such as this one to ensure that tractors and trailers are matched properly and to activate cameras that record vehicle condition.

The system serves two purposes. Photos preserve equipment condition — matched to the driver assigned to the tractor — for future reference. Meanwhile, the RF reader gathers the RFID info on each tractor and trailer tag and checks the data against dispatch information to ensure a match. If a driver hooks up the wrong trailer or an unauthorized tractor tries to take a trailer, the gate doesn't open and dispatch is alerted. In labor savings alone, the camera/RFID system has paid for itself, Percy says.

The management of A.D. Transport continually looks for an edge by changing processes, technologies or equipment. For example, trailer damage from lift trucks at docks was costing the carrier $40,000 a month in repairs. So A.D. Transport began spec'ing its Wabash trailers with a special Kevlar lining to resist such damage. Now, trailer repairs run about $2,000 a month.

"We learn things every day," Percy says. "If we have a failure in our systems, we dive in and fix it." ■

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The Bekins Co.
Hillside, Ill.
Builds on a niche in home delivery of large items through its HomeDirectUSA brand by addressing the age-old problem of pinning down delivery times.

A home run

The Bekins Co.'s HomeDirectUSA tackles just-in-time delivery to homes

By Aaron Huff

For the past 113 years, The Bekins Co. has adapted to technological revolutions, starting with the switch from horses to the internal combustion engine.

Ownership, too, has changed over the years, most recently almost three years ago when GeoLogistics Corp. sold the company to the Bekins agent network under a structure that gives every shareholder agency equal voting rights. In part because of that buyout, the Midwest chapter of the Turnaround Management Association selected Bekins as its Turnaround Company of the Year in 2002.

Today, the Hillside, Ill.-based Bekins operates specialized divisions that move household goods, provide trade show services and handle logistics for high-value computer, telecommunications and office imaging equipment. One of Bekins' more recent initiatives is HomeDirectUSA.

In the late 1990s, the growth of Internet-based retailers created a demand for distribution of goods from manufacturers and warehouses directly to businesses and consumers. Small parcel carriers UPS and FedEx quickly gained the bulk of this market for small packages, but the freight demand also included large consumables and durables.

Bekins saw an opportunity in the business-to-consumer (B2C) market for products such as appliances, furniture and other larger goods. So in 1999, it established the HomeDirectUSA brand to provide logistics and fulfillment for Internet-based and "brick-and-mortar" retailers that offer direct-to-home delivery. Today, HomeDirectUSA is growing at about 30 percent a year with current revenues of more than $100 million, says Richard Valentino, vice president and chief technology officer of Bekins.

But for Bekins and other companies that serve the B2C transportation market, the final stage of transportation — known as last-mile delivery — has always been a major challenge.

While a warehouse or a business might be open throughout the workday, most homeowners aren't at home then. Typically, a retail store or Internet-based shipper can offer the buyer of a large item, such as a refrigerator, at best a specific date of delivery. On that date or perhaps the night before, a dispatcher calls with a delivery window — between 8 a.m. and 12 p.m., for example. A driver may — or may not — decide to pick up his cell phone to call the customer to give a more precise arrival time.

The management team at HomeDirectUSA decided that it doesn't have to be this way. In July, the company implemented a project called the Service Tracking Automated and Routing System, or STARS, that will provide consignees upfront with a one-hour timeframe for delivery. In addition, the system soon will include an interactive voice response component to provide consignees with a precise time of arrival within the one-hour timeframe, Valentino says.

innovators

Bekins made its name in residential and corporate relocation but now is a major player in logistics for high-value business and consumer deliveries.

"[STARS] is greatly improving our ability to service the customer," Valentino says. "With all the new technology, we can give customers a precise time the delivery truck will be there."

The STARS project, built by Bekins' IT group, uses a routing and scheduling optimization solution from InterGis called Visual Control Room that communicates through cellular and Wi-Fi networks to a field-force automation application from IBM Global Solutions running on Intermec 760 mobile computers. To date, STARS has been implemented at 15 locations, with plans to complete the rollout at all 63 locations by the second quarter of next year, Valentino says.

A consumer receives an automated call notifying him that a driver is on the way.

When a delivery agent for HomeDirectUSA is at a Bekins distribution center, he scans in the freight, and the mobile application instructs him how to sort and redistribute the items in the trailer according to the stop-offs. Once a driver completes his loading, the system creates a route manifest and launches a delivery application with detailed stop and routing information and driving directions.

When arriving at a stop, STARS prompts the driver on the unique service requirements for each delivery. Consignees that order Platinum service, for example, get inside placement of the freight in their room of choice with package removal and setup, Valentino says. Drivers also can enter over, short and damaged (OS&D) information for immediate processing and verify that consignees received exactly what they ordered.

The application captures proof-of-delivery on a real-time basis, which is helpful for retailers that execute their invoices upon receipt of POD. As deliveries are executed, the data is coming back to the carrier's databases — as well as its customers' systems — to update shipment-tracking applications.

Through interactive voice response technology, STARS automatically will call the next person on the route after drivers complete a previous stop. In other words, the consignee will get a computer voice telling him that the driver completed his last stop and will be there in 45 minutes, for example.

STARS feeds a shipment tracking and inventory management technology called Directware, which is accessible from HomeDirectUSA's website. Retailers and other businesses can make this tool available to consumers for added piece of mind, Valentino says.

The greatest challenge of Internet-based B2C delivery hasn't been lack of demand. Rather, customer service is holding the market back. By giving customers a precise arrival time — and meeting it — HomeDirectUSA hopes to expand its opportunities. ■

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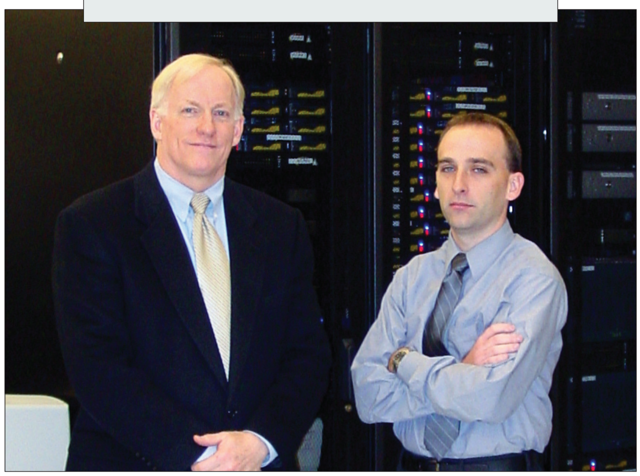
Metro Express
St. Louis, Mo.
Spearheaded — and serves as a test bed for — a separate business that develops transportation-related software.

Win-win scenario

The owners of Metro Express launched a software company that helps the carrier address challenges.

By Avery Vise



Tom Whaley (left) serves as president of both Metro Express and Level One Technologies. Jason Kirkpatrick, now operations manager at Level One, led the initial software development.

In the late 1990s, Metro Express recognized that it had outgrown its information systems. The St. Louis-based carrier had evolved from a local expedited delivery carrier founded in 1988 into an operation that was involved heavily in third-party logistics as well as expedited delivery.

Typical trucking software didn't satisfy the carrier's requirements, but available logistics software packages were far more complex and expensive than Metro Express needed. What the carrier wanted was a Web-based system primarily designed for third-party dispatch.

Finding nothing that fit the bill, the owners of Metro Express investigated the idea of building their own solution. It was a bold notion for a small company that had no programmers on staff. But what Metro Express did have was creativity.

President Tom Whaley credits in particular Jason Kirkpatrick, who was a Metro Express manager known for creativity and insight. Kirkpatrick believed that the software development could be commercialized to offset the carrier's costs, and he became the point person on the project.

Whaley and Kirkpatrick hired programmers on a contract basis to write software that met the needs of Metro Express. After about two years of development, the owners of Metro Express officially launched Freightlist.com as a separate venture in May 2000. The goal of Freightlist.com was to provide the features of software-based logistics management programs with the functionality of Internet-based freight and truck posting services.

Setting a new course

Whaley and Kirkpatrick hit the road to promote Freightlist.com, attending about 15 trucking and logistics trade shows. Out of discussions with many prospects in all types of transportation businesses, they recognized a greater commercial potential in another type of solution.

"Many people approached us at trade shows saying that what they were looking for was a way to pay drivers and carriers more efficiently," Whaley says. "We began to explore the possibility of an online payment system."

Whaley saw the potential for the same win-win scenario Metro Express had experienced with Freightlist.com. The system would be built to meet the needs of Metro Express to pay carriers it does business with as well as its own drivers. And the system would be commercialized, helping to amortize development costs through other users.

So in late 2000, Freightlist.com and Metro Express began working together on an online payment system. After about 18 months of development and beta testing, Metro Express in April 2002 began using the system, called Epay Manager.

The financial advantages of Epay Manager lie in reducing the cost of payment transactions and shortening the time between billing and collection, Whaley says. The costs associated with a paper-based payables process, including postage and overnight shipment of checks, can run from $4 or $5 to $28, he says. For a carrier, it could cost about $15 to collect an invoice. The system helps free up staff time for other tasks because it automates many payables activities that can take considerable time when done manually, Whaley says.

Epay Manager has been upgraded several times since its initial release. For example, the system now allows carriers to offer discounts on transportation charges in exchange for faster payment. The company also is discussing interfaces with other management system and accounting packages. There already is integration with Peachtree and Quickbooks.

Recently, Metro Express began using Epay Manager for driver settlement. The system goes beyond just a direct deposit of a check to include online settlement details. In addition to saving money over a paper process, it has been a boost to productivity, Whaley says. "Drivers don't have to waste a day dealing with settlement." As with previous developments, Metro Express tested and used the driver settlement feature extensively to ensure it was ready to roll out to commercial users.

Epay Manager has become the focus of software development, and earlier this year Freightlist.com changed its name to Level One Technologies to acknowledge the company's evolution from marketing a single product to one that produces more diversified software, including Epay Manager and document imaging software. Following use of Epay Manager in transportation, Level One may look at other industries, such as manufacturing. That would require some reprogramming as Epay Manager is based on terms and requirements specific to transportation.

Metro Express has changed significantly since 1988. It started as a local expedited carrier, built a large third-party logistics operation and now is growing rapidly as an over-the-road expediter.

Although Level One Technologies is committed to supporting Freightlist.com for existing customers, Metro Express no longer uses it. Several years ago, Metro Express saw that its local expedited market was declining, so now it is focusing on broader opportunities in expedited transportation, such as for the automotive industry.

During the 1990s, the carrier's equipment was mostly for local pickup and delivery. Larger units were provided by carriers and owner-operators through its third-party operation. Although Metro Express still operates straight trucks in local and on-highway operations, about half of its units are tractor-trailer combinations, and that's the segment that's growing. Freightlist.com simply wasn't adequate for this type of operation, Whaley says.

Separate but connected

Once the owners of Metro Express decided to get into the software business, they recognized the need to operate the two companies separately. Whaley is president of both Metro Express and Level One Technologies, and the two companies are housed in the same building. But Level One maintains separate financial records, employees and corporate structure. And Level One's customer information is not shared with Metro Express.

The clear separation is important because the Web-based software requires the handling of sensitive information for companies that may compete with Metro Express. "We are upfront as to who we are, but we assure companies that there is no 'hanky-panky' between the two companies," Whaley says.

At the same time, Whaley acknowledges that the architecture of both Freightlist.com and Epay Manager grew out of the needs and experience of Metro Express personnel. Metro Express remains Level One's principal test bed, which helps both companies achieve their goals more quickly.

"The symbiotic relationship is essential," Whaley says. "You can't develop something like this without a customer that's willing to suffer with you." Joint ownership ensures, for example, that the carrier won't abandon a tedious development process out of frustration.

At the same time, the investment in a system like Epay Manager, which has cost about $4 million to develop, would be prohibitive for a carrier the size of Metro Express without the potential for commercialization, Whaley says. "We never would have done it." ■

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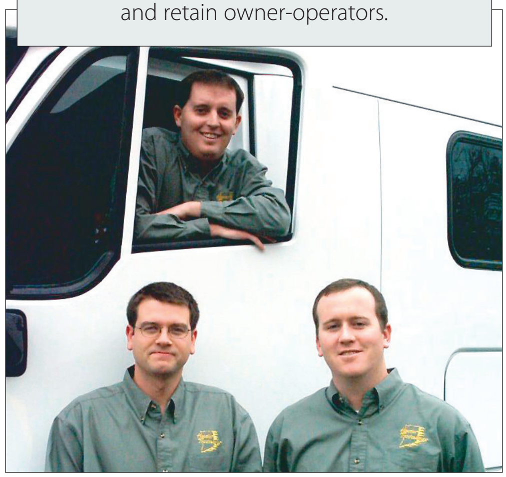
Hoosier Tradewinds

Carmel, Ind.

Developing an integrated intranet portal to streamline the daily operations of management and staff and to recruit and retain owner-operators.



Benjamin Cook (bottom right), president of Hoosier Tradewinds, and Matthew Deck (top), executive vice president, recruited a high-caliber chief information officer, Ben Becker, to design a system that enables management to proactively solve driver problems.

A portal to efficiency

Indiana carrier tightens management by putting thorough information at employees' fingertips

By Aaron Huff

In 2003, the top executives of Carmel, Ind.-based Hoosier Tradewinds recognized the need to improve the company's information systems. They discovered that managers throughout the company — dispatchers, planners and executives — needed more information more quickly in order to make proactive decisions.

Nowhere was this need more apparent than in the area of recruitment and retention of owner-operators, which provide all of Hoosier Tradewinds' power units.

"As you often find, you don't know that a guy is unhappy until it's too late," says Executive Vice President Matthew Deck. "If someone said they are quitting, then we dealt with it."

To proactively solve driver problems, management wanted to see key metrics on drivers weekly and even daily, including revenue, profitability, home time and verbal complaints.

But while President Benjamin Cook and Deck agreed that Hoosier Tradewinds needed better information management, no one working at the 88-truck operation had the knowledge and expertise to implement or manage those solutions.

So in late 2003, Cook and Deck began looking for a high-caliber chief information officer. As it happened, the timing was excellent. Ben Becker was looking for an alternative to the intense travel and hectic lifestyle of consulting work. For seven years, Becker had worked as a data warehouse consultant, designing systems for corporations to access and analyze information at various levels.

Becker joined Hoosier Tradewinds in January of this year in the newly created CIO position. He quickly went to work meeting the company's objectives with a particular emphasis on designing information systems that would aid in Hoosier Tradewinds' efforts to recruit and retain owner-operators.

"We spend literally 90 percent of our marketing dollars toward recruiting and retention of drivers" rather than on attracting new shippers, Cook says. "We see drivers as customers."

After reviewing the IT strategy with the newly hired CIO, management established a list of technical and process improvement projects. At the top of the list for 2004 was developing an integrated intranet portal to streamline the daily operations of management and staff. Becker had used an intranet portal at his previous company.

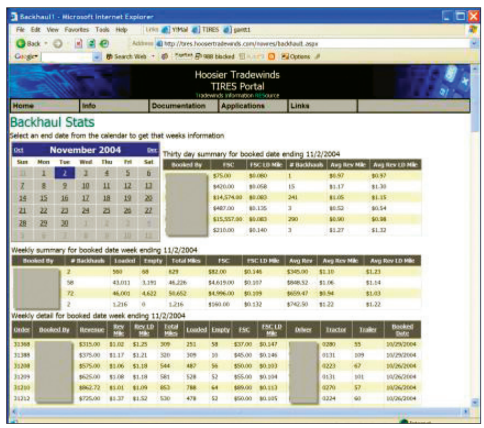
"I saw the potential here," Becker says. As with the Internet, employees that use an intranet use a Web browser to access applications and process information. The difference is that the intranet is located on the company's private network.

After several meetings of gathering requirements and planning, senior managers concluded that no single product on the market covered the company's needs and vision, and that developing their own portal — named Tradewinds Information Resource (TIRES) — would be much cheaper than buying one off the shelf, Becker says.

Throughout 2004, Becker has been developing a variety of applications that employees can access through TIRES, including revenue projection, backhaul monitoring, trailer tracking, driver analysis, fleet maintenance, delivery status, accessorial handling and document imaging/access.

To develop the applications, Becker uses Visual Studio .NET and ASP.NET, two of Microsoft's development platforms for Web applications. The SQL Server database of Hoosier Tradewinds' dispatch and operations software is the source for 90 percent of the data used for the TIRES applications. The rest is supplied by software programs the company developed in-house, XML data feeds from websites and third-party solutions such as trailer tracking.

The most important tool in TIRES is the Weekly Planner used for driver retention, Deck says. The company's operations manager, Meana Wolfe, uses the tool to evaluate where drivers stand at any day of the week in terms of loads, revenue, miles and other important statistics. On Wednesday, for example, Wolfe can see that a driver had a sub-standard week. She can proactively contact the driver to make sure he knows of the situation and then take the necessary steps to make sure the driver has a profitable week. The Weekly Planner has a built-in estimation engine to post the financial numbers, even before the billing and driver settlements are completed.



The carrier's integrated intranet portal, named TIRES, enables managers to spot exceptions more efficiently through a variety of web-based applications such as a backhaul monitor (shown above).

"Being able to see information as it happens, instead of after the fact, gives us the chance to react," Deck says. In addition to the Weekly Planner, TIRES includes a Driver Portal that provides a snapshot of key metrics for each driver, such as revenue by week and month, complaints, home time and personal information such as birthdays.

After designing these applications, management decided to create a position for driver retention. The company also created a "second shift" individual to call between 5 and 10 drivers each night to record comments in the notes section of the Driver Portal. Marty Wolfe, the company's driver retention manager, looks at the notes from the previous night and other statistics in the Driver Portal to call drivers proactively, address their concerns and create solutions.

"We can easily track if a driver is doing well at Hoosier Tradewinds, giving us the chance to contact them if we see that their numbers are below average," Becker says.

TIRES is more than a browser-based reporting tool, however. It also has several applications that have helped the company increase efficiency and accuracy by converting manual, paper-based tasks to electronic processes.

Accessorial charges are one example. Detention and other accessorial charges are entered in a form in TIRES and go through an e-mail approval process from operations to billing. The charges are posted to an electronic board for the billing department to evaluate and settle with the driver and customer. Before using TIRES, the accessorial charges were written on paper in operations and handed to the billing department, Becker says. Future TIRES developments include customizing the display content based on user profiles.

"Conceptually it is all the same, but the way it is delivered will change to enable security and content moderators," Becker says. For example, some management dashboards will be available only to the company's executives, and not all employees, which is the case now.

Beginning next year, the company plans to launch Tradewinds Technologies and in the third quarter of 2005 offer the intranet portal product to other transportation companies as a single solution they can use to pull up any data they might need.

As a result of the TIRES project and the company's focus on driver retention, turnover has decreased from about 85 percent last year to 60 percent this year, Deck says, and the company also has grown its fleet by more than 30 power units.

"There will always be things out of our control," Deck says. "But we want to never lose someone because of something we can control." ■

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