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Pottle's Transportation, Inc. Bangor, Maine

Developed program to highlight true earning potential and company employment costs for drivers.



Show them the money

Pottle's Transportation ties retention and profitability together with its Hidden Paycheck initiative

By Jeff Crissey

A s a successful small business owner, Barry Pottle takes pride in his company's ability to offer a suite of benefits to its employees beyond gross pay. As the driver market continues to tighten, a competitive earnings package helps Bangor, Maine-based Pottle's Transportation, Inc. differentiate itself from its competitors. Some of the tools in Pottle's comprehensive driver benefits toolbox include vacation pay, holiday pay, bonuses, stopoff and layover pay and insurance.

Pottle says the way many trucking companies compensate their drivers is causing an unwanted and unnecessary black eye for new entrants into the industry. "People advertise 50 cents per mile, but they'll pay that for loaded miles, but not empty," Pottle says. "Some trucking companies today are too greedy and think these drivers are a dime a dozen. Everyone has these gimmicks; we're pretty black-and-white here."

Driver satisfaction is paramount at Pottle's, which has a fleet of 115 company trucks and 30 owner-operators. Pottle is quick to point out that without his drivers, he wouldn't

need anyone else. "These drivers have no input on what kind of truck they drive or the customers," he says. "They're hired to drive a truck and take care of freight, be responsible and drive safe."

Pottle's per diem pay is one example of putting its drivers first. With all the intangibles of life on the road, such as detention, breakdowns and other factors outside the driver's control, Pottle's offers breakdown pay of \$150 plus hotel when drivers can't get home as expected. "The driver has a responsibility to leave on time and do the job he's asked to do," says Pottle. "If he does that job, we'll step up to the table. I was at a group meeting five years ago and when asked what they do for their driver when a truck breaks down, and one guy responded, 'We throw them in a hotel and give them \$25 a day.' I said, 'You take your biggest asset and throw them in a hotel room?' Our philosophy is we don't want drivers making any less for us than he could make being at home driving a dump truck."

With its driver-first philosophy and all that his company is able to offer, Pottle understands that when a driver thinks the grass looks greener on the other side of the Interstate than it does at Pottle's, it's anything but an apples-to-apples comparison.

Revealing hidden costs

The challenge for Pottle's is to boil down its compensation package to give its drivers and new hires a clear idea of what they're making compared to the competition. The company developed a unique approach to helping its drivers understand their stake in the business – not just by what they earn, but by what they cost the company. Pottle's recently introduced its employees to the Hidden Paycheck concept, a one-page worksheet that allows drivers and other company employees to clearly understand their total benefits package as well as what the company has invested in them.

"Individuals don't realize what they cost the company," Pottle says. "Not just wages, but all the benefits the company dishes out. They just look at the gross and say, 'Well this is what I make,' and that's not true. They don't realize all the extra money the company is paying out for them."

As drivers come in to the office for safety meetings, Pottle





provides each one with their Hidden Paycheck on an annual basis [see table to the right]. Upon seeing the results, Pottle says the response from its drivers is extremely positive. "We may have a driver that's unhappy here, but when he gets to looking at his vacation pay and everything else and realizes what he really makes, he won't leave," he says. "Some can't believe they made that much money. Some of these guys make \$70,000 and don't even realize it."

As a result, the Hidden Paycheck system not only helps drivers see their worth well beyond their gross pay and boosts retention - Pottle happily points to the company's low 14-percent turnover rate - it also helps them understand how their own actions can adversely affect the company's bottom line. Among the line items on the Hidden Paycheck worksheet is "Accident Costs." If a driver has an accident or a cargo claim - whether it's \$500 or \$25,000 - that is tallied into what they cost the company to be employed there. "It's a big wakeup call for them when they look at that. It works to get them thinking about what we're watching," says Pottle.

Taking the message to its customers

This year, Pottle's plans to take its

"Individuals don't realize what they cost the company. Not just wages, but all the benefits the company dishes out." Barry Pottle, president

Hidden Paycheck concept and use it to rate its customers based on criteria such as how well they pay, the ease of doing business, driver friendliness, freight and other factors. The company will include feedback from its drivers in the customer rating process. The idea, says Pottle, is to work together with its customers to get them to understand how their policies and practices can impact Pottle's costs. The rating system will be a grade school-like 'A' through 'F' scale depending on how a customer measures up against its peers.

"If we're working with a company who thinks they are the cat's meow of all shippers and we can walk in and show them how they're rated with us and that we need a rate increase, they're going to step up to the table and take care of some of their issues, otherwise they're going to face a rate increase or we'll walk away from the business."

Pottle hopes the end result will be a collaborative effort between both parties to improve efficiency and profitability for both sides in order to keep rates steady.

"So many times we go in and a customer tells us how we're doing for them," says Pottle. "They want to do what they can to improve their bot-tom line, but they don't look at how they can improve our bottom line and keep our costs down. In the next couple years, shippers will want to work with carriers to keep their costs down and still give you some type of an increase."

Plan Year 2009 – Employee Benefit Statement

Employee name	John Doe
Date of hire	10/11/1996
Date of birth	11/27/1970
Base compensation	\$39,458.9 <u>9</u>
Other (stop off, lay over, etc.)	\$1,408.00
Overtime	\$0.00
Per diem	\$13,260.00
Total amount	\$54,126.99
Accident costs	\$0.00
Group life	\$40.80
Unemployment	\$281.20
Medical premium	\$2,108.28
Social security	\$2,742.86
Vacation	\$6,241.94
Holiday	\$525.00
Bonus	\$0.00
Retirement	\$0.00
Total value of benefits	\$11,940.08
OVERALL TOTAL	\$66,067.07

Pottle's Hidden Paycheck breaks down an employee's benefit package as well as the costs incurred by the company to employ him. Barry Pottle, president and CEO, says drivers are often astonished at their value to the company.

Innovators profiles carriers and fleets that have found innovative ways to overcome trucking's challenges.



C.R. England Salt Lake City



Stacking the deck

C.R. England takes refrigerated intermodal to the next level

By Aaron Huff

In the past decade, a number of truckload carriers have launched rail intermodal services. For freight that can be moved in large volumes over long distances, carriers can use intermodal to pass on savings in linehaul and fuel surcharges to customers – and reduce their carbon footprint to boot.

The type of intermodal services carriers offer come in two generic varieties: trailer on flat car (TOFC) and container on flat car (COFC). Both of these require trucks to move freight between customer locations and rail ramps to be loaded and unloaded from flatcars.

The difference is that with TOFC, carriers can move freight between customers and rail ramps using a standard over-the-road trailer, complete with landing gear and axles. With COFC, carriers have to move containers on a heavy trailer chassis that is designed specifically for intermodal drayage.

COFC offers the most cost-economical option. Railroads charge less for containers since they can double-stack them on flatcars. But COFC presents a challenge for carriers Created the TempStack refrigerated intermodal network to reduce fuel costs, carbon footprint and driver turnover.

because containers have less cube space than trailers, and the heavy twin-beam steel chassis used for drayage subtracts from payload capacity.

In 2004, C.R. England, the nation's largest refrigerated transporter, began offering TOFC intermodal services for refrigerated cargo. To roll out this new service, the company made some modifications to its standard 53-foot trailers, such as adding larger fuel tanks. By 2010, the intermodal fleet had grown to 320 trailers, and the company announced that last year its intermodal operations saved the equivalent emissions released from burning 3.5 million gallons of fuel.

The TempStack effect

Last fall, C.R. England launched TempStack, a new type of service that takes refrigerated intermodal to the next level – literally. This effort uses COFC technology to double-stack two high-volume reefer containers on a railroad flatcar. Last November, the Salt Lake City-based company moved its first load using this new technology.

"(TempStack) is a much more efficient way of doing things by having the railroads put two boxes in place of one trailer," says Zach England, vice president of intermodal. Railroads pass the savings on to C.R. England, which can pass them on to customers – in part to make up for a small loss in loading capacity of a container versus a full-length trailer. "Everybody is a winner."

While the TempStack containers – which are built to C.R. England's specifications by Chinese company CIMC – look similar to a standard reefer trailer, one key difference is the addition of a frame around the front to protect the reefer unit. Another difference is that the containers have a 120-gallon fuel tank mounted below the reefer unit.

From end to end, the container is the same length as a 53-foot trailer. Since the TempStack containers have a metal frame around the reefer unit, they lose a couple feet of internal length and overall cube space compared to a full-length trailer.

That loss is minimal, England says. The TempStack containers were designed to preserve cargo capacity in terms of weight, which is more important than cube space to customers, he says. TempStack has an available lading capacity





Zach England, vice president of intermodal for C.R. England, says the TempStack containers were designed to preserve cargo capacity in terms of weight, which is more important than cube space to customers.

of up to 43,500 pounds.

Keeping the payload capacity nearly identical to a full-length trailer was a challenge because the chassis used for intermodal drayage is heavier than the frame of a van trailer. C.R. England worked closely with its suppliers on changes and alterations to lighten equipment. The company's drayage fleet consists of custom-designed lightweight day cabs that move loads between rail ramps and their final destinations.

The containers have to be loaded differently than standard trailers to distribute more weight at the front. To make this process seamless for customers, C.R. England works closely with customers to create customized loading patterns of freight onto its containers.

Creating a network

By the end of January, C.R. England expected to have 170 TempStack containers in operation, and by the end of the first quarter, more than 300. The additional equipment will create the nation's largest refrigerated intermodal container fleet and will double the

TempStack allows C.R. England to offer more desirable driving positions.

company's current intermodal capacity.

As part of the effort, C.R. England developed strategic partnerships with railroad companies to open up capacity across select expedited routes of the country's critical shipping lanes. These alliances have made it possible for C.R. England to build and deploy its intermodal container fleet rapidly.

The TempStack effort also includes technology to run reefer units only as needed to save fuel. Technology also provides quality assurance through two-way communication that allows for temperature and load-tracking management from remote locations for every single container in the company's fleet. The tracking system allows management to do everything to a unit that they could do in person, from adjusting settings to checking fuel levels and temperature, England says.

With all of these pieces combined, C.R. England has created an extensive temperature-controlled intermodal network that offers significant cost savings, on-demand capacity and a reduced carbon footprint for customers. Every load that travels by container results in one less truck on the highway and a 60 percent carbon footprint reduction, England says. With more than 600 intermodal trailers and containers, C.R. England expects to save the equivalent emissions released from burning 7 million gallons of fuel this year.

Other elements

C.R. England has grown to become the largest refrigerated transporter in

the world with services that include national, Mexico, regional and dedicated truckload. England says the TempStack effort will provide benefits that extend across all of these divisions because it addresses key industry challenges such as driver retention and driver shortages.

For driver recruiting and retention purposes, TempStack will create more desirable driving positions as C.R. England successfully converts longer-length hauls to intermodal, and the existing driver fleet also will see a reduction in haul length. C.R. England already has seen a reduction of 100 percentage points in driver turnover for its drayage fleet compared to drivers assigned to an over-the-road fleet. "Drivers are home every night," England says. "That is clearly a better driving position."

Longhaul loads can be converted to the TempStack network and move from origin to destination in the same amount of time as a load dispatched to a solo driver. Realistically, the only loads that cannot be converted to TempStack are expedited shipments that require team drivers and loads that don't fall in its intermodal lanes, England says.

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Saia Johns Creek, Ga.

Introduced an Exception-free Delivery metric to build customer confidence and improve service.



Without exception

Saia improves on its already-proven customer service with new measurement tool

By Jeff Crissey

here's an old saying, "If you measure it, you can manage it. If you monitor it, you will improve it." Ten years ago, Saia, a Johns Creek, Ga.-based lessthan-truckload carrier, put that idea to the test by taking an open and honest look at improving internal performance and customer service. After extensive research with its customer base, Saia identified a set of six key metrics based on what was important to its clients as they were making their transportation-buying decisions.

After 18 months of programming, training and process improvements, Saia introduced its Customer Service Indicators (see chart, page 50), which it uses to track service performance for each customer on a daily basis. Saia also publishes companywide performance on a monthly basis on its Website for noncustomers to see.

It may sound like marketing spin on the surface, but Saia's six CSIs now are embodied throughout the entire organization. "When we began, we wanted to make sure the CSI program was working and making a difference in our service," says Sally Buchholz, vice president of marketing and customer service. "To us, it wasn't about the advertising side of it, but 'Could it make us a better company?"

After its first year of implementation, Buchholz says the CSI program resulted in a 75 percent improvement overall in defects. In Claims Settled Within 30 Days, Saia had an 80 percent decrease in defects, as well as a 55 percent decrease in defects in On-time Delivery. Invoicing Accuracy wasn't measured before the CSI program, but the company learned during its planning phase that it was important to customers. "If a customer's invoice is consistently wrong, you do almost as much damage as not delivering their freight on time," says Buchholz. "You cause just as much pain – just to a different part of their organization."

Before the CSI program started, Saia relied on the industry standard of showing clients a single service delivery report to make buying decisions. Buchholz says today it's fun to make sales calls and go over the company's CSI performance with customers because it's not something they're seeing from other carriers – especially considering how deep the philosophy runs throughout Saia's organization as part of its operational processes. "It really has attracted new business, and people want to give us a try based on the fact that we're a company that places an importance on improvement," she says.

The next level: No exceptions

With advances in imaging technology since Saia began its CSI program, the need for the Proof of Delivery metric diminished. In its place, Saia has added Exception-free Delivery, a new metric it began developing two years ago that expands on the Claims-free Service metric to measure performance not just on shipments handled without claims, but also shipments delivered without a noted exception. "Essentially it lets the shipper know that their freight is being delivered in the exact same condition that it was when they gave it to us and gives them a true picture of the kind and quality of service we're providing," says Buchholz.

After two years of collecting data and measuring performance, last month Saia went live with the Exception-free Delivery metric data, posting a 98.6 percent score for February.





With its new Exception-free Delivery Customer Service Indicator, Saia is working to further improve the number of shipments delivered with no noted exceptions.

"When we do have an exception, we go back and review where our process fell short," says Karla Staver, director of safety and claims prevention. To accomplish this, Saia began using their scanning systems to track where an exception took place in the distribution chain so the factors that caused the exception could be determined.

"If employees notice a scuffed box or puncture, they note it in the system so that when we go back and audit a specific bill, we can look and see that when 'Joe' moved it in Atlanta onto the trailer going to Houston, it was fine," says Staver. "When we unloaded it in Houston, it was fine. However, when it reached the customer, they noted damage on the box. We can determine that when we loaded it for city delivery, we probably didn't properly cushion that shipment."

If a shipment is received with a noted exception, Saia's region managers and terminal managers can go back and talk to the specific dockworker that loaded a particular shipment on a particular trailer.

"We've created an audit trail for every shipment and how it moves through our system and who touches it at various points," says Buchholz. "Getting that technology in place has

Saia's Six Customer Service Indicators		
Metric	Description	
Pick-up Performance	Measures the percentage of outbound shipments picked up on the day requested	
On-time Delivery	Shows the percentage of total shipments delivered on the service due date	
Claims-free Service	Indicates the percentage of total outbound shipments handled without a claim	
Exception-free Delivery	Newest metric measures the percentage of all outbound shipments delivered undamaged and complete	
Claims Settled Within 30 Days	Measures the percentage of claims, less than \$1,000, settled within 30 business days	
Invoicing Accuracy	Represents the percentage of invoices with no	

helped tremendously because otherwise you cannot pinpoint the problem." And while Buchholz says that's great for overall training, "individual counseling is such a huge component of improvement that getting [the technology] out there has been a big jump for us."

Dock supervisors inspect each load prior to closing and rework issues with dock employees to coach and train on a continual basis. In addition to addressing issues at an individual level, Saia holds routine dock meetings to determine how to load freight better and sends out weekly training tips to dock employees that address loading and unloading practices specifically.

The company also has made significant investments in its securement methods to continue to improve on its Exception-free Delivery scores: Logistics posts are installed on 90 percent of Saia's line-haul pup trailers, and cargo is secured with additional strapping, blocking and bracing materials as well as inflatable bags.

If exceptions occur because of the way the freight is packaged by the shipper, Saia works closely to find solutions.

"It's a partnership," says Buchholz. "We measure our performance anyway, and we're looking to improve whether customers are paying attention or not. But we invite them to get involved because if we work together, [the CSI scores] are even more valuable."

Innovators profiles carriers and fleets that have found innovative ways to overcome trucking's challenges.



FirstFleet Murfreesboro, Tenn.

Strengthened its competitive position by creating a new model of interactivity.



High-tech dedication

Dedicated hauler uses IT to do many things extremely well

By Aaron Huff

ne of the silver linings of the recent recession is that it forced carriers to become stronger and more focused. This is certainly the case for FirstFleet, which began providing dedicated contract carriage service 25 years ago with two trucks. The Murfreesboro, Tenn.-based company since has grown to about 1,500 tractors, 1,800 employees and 30 locations.

In 2009, FirstFleet – along with most carriers – was exposed to a dwindling supply of freight. To retain customers in this highly competitive environment, the company looked for new ways to exceed expectations. The company's six-member Information Technology Team responded to the challenge by creating new customer-facing applications and adding a new level of responsiveness to fulfill customers' information needs.

FirstFleet always has worked to provide customers – who the company refers to as business partners – with excellent service. FirstFleet employees are onsite at customer locations to manage any operational challenges. But the company's technical capacity traditionally had been limited to sharing information with customers by telephone and face-to-face meetings.

"E-mail was the biggest tech tool we had," says Austin Henderson, director of IT infrastructure and innovation. In the past 18 months, Henderson and other members of FirstFleet's IT Team have developed a new model for interactivity that positions the company to exceed customer expectations for many years to come.

Engaging business partners

In 2009, the IT Team started by developing a set of integration tools for business-to-business (B2B) communication. These tools enable business partners to consume and produce data in whatever format they prefer. Options for exchanging data with FirstFleet include loosely formatted "flat files," electronic data interchange (EDI) and embedding XML code directly into partner systems for instant updates.

"The more we could streamline communications, the more value we added as a transportation provider," Henderson says. "This allowed us to integrate with business partners on aggressive schedules with high accuracy."

FirstFleet also created a set of application programming interfaces (APIs) to support the rapid development of new customer-facing applications. The APIs are based on XML Web services and enable a real-time exchange of information ranging from load tenders to load tracking and proof-ofdelivery documents. These APIs have enabled FirstFleet to respond to new requests for information within hours, not weeks or months.

"Most of the time, our business partners are not after a gigantic time-consuming process," says David Sivils, director of IT administration and fuel performance. "They just want exposure to more information to do their jobs."

FirstFleet has used its APIs to develop customer-facing "load boards" that filter data uniquely by business user. The load boards are one of the main features of FirstFleet's Web platform as they enable rapid deployment of customer-specific applications, reports and processes.

"We can provide (information) to them exactly how they want it as fast or faster than their internal resources can," Sivils says.





The Information Technology Team at FirstFleet consists of, from left, Jeff Tudor, technical support specialist; David Sivils, director of IT administration and fuel performance; Adam Bond, network administrator; Linda Bochar, analyst/EDI coordinator; Grant Williams, programmer/analyst; and Austin Henderson, director of IT infrastructure and innovation.

A traffic manager at a manufacturing company might want a load board that shows all loads scheduled for delivery today and tomorrow. He also may want to filter these loads by project coordinator or by material type and have them referenced to order numbers and to other information that makes sense in their world.

"They want screens that look like they are theirs," Henderson says. FirstFleet also has created customerfacing analytical tools for customers to track cost per item, access freight payment history and build other metrics using data supplied by FirstFleet.

Providing customers with online access to load tracking and proofof-delivery documents is somewhat conventional these days, but FirstFleet has broken the mold by creating a more convenient way to access these functions. The IT Team has deployed iGoogle gadgets that can be integrated quickly into a business user's personal Google homepage. The gadgets do not offer as much functionality as FirstFleet's Website because of their size, but they are an efficient way to establish a quick dialogue with FirstFleet.

From the inside out

The IT Team at FirstFleet also has found numerous ways to use technology to increase internal efficiency and to add value to relationships with drivers and employees at all levels in the company.

The IT Team takes a consultative approach with business users to understand how each user performs their job, determine the pain points and identify new opportunities to solve challenges in innovative ways.

"We have gone to great lengths to make change as easy and transparent as possible," Henderson says. As part of rolling out new technology and features for users, the IT Team develops online training videos, step-by-step tutorials, a company blog and Twitter feeds – all accessible on the Website.

One way the IT Team has improved internal efficiency is by creating an online interactive tool for employees to access payroll information. FirstFleet no longer sends out paper settlement sheets and check stubs.

With employees going to the Website at least weekly to access payroll information, FirstFleet since has added online fuel economy reports to increase awareness and accountability. The IT Team developed an online dashboard of fuel performance for every employee to see.

"We involve many sets of eyes on controlling our fuel burn rate," Henderson says. "The more people that are looking, the more likely you are to have change occur."

When a driver logs in to the Website, he sees a near real-time data extraction of his mpg, idle time and ranking within his assigned facility. This information also is presented to each driver in bullet points for the last 30 days. Drivers also can use interactive tools to see mpg leader boards by location and for the organization.

Providing this information to drivers gives them the opportunity to be more proactive, Henderson says. Drivers that pay close attention may notice a change in their own mpg before management finds out and take the initiative to talk to the maintenance team about ways to improve their vehicle's performance.

The IT Team also has analyzed a wide range of information from safety to cargo claims and freight bills to find ways to increase efficiency and reduce risk. The team has worked with users to manage information on an exception basis, Sivils says.

"Altogether, it's been a wild 24 months," Henderson says. "Our desire is that we always want to be viable and compete with the very best."

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Southeastern Freight Lines

Lexington, S.C.



Keeping 'em working

Southeastern's commitment to its employees pays off **By Dean Smallwood**

o trucking company was immune to the economic effects of the recent recession, including Southeastern Freight Lines, a regional less-thantruckload transportation services provider. But the Lexington, S.C.-based company believes its no-layoff policy may have helped it emerge with a stronger foundation than most. And as business levels rebounded in 2010, Southeastern said it had hired more than 900 additional employees.

The commitment to employees has enabled the company to build a culture of customer service excellence over its 60-year history, and Southeastern says everyone in the company takes pride that even in the midst of a challenging economy, it set performance records for customer service, reliability and employee safety.

"Not only were we successful at avoiding layoffs, but we also maintained wages for employees and kept all benefits in place," says Mike Heaton, senior vice president. "Now as the economy recovers and orders increase, we have experienced employees ready to serve our customers and maintain our high standards." Maintained its no-layoff vow during the recession and emerged with an experienced foundation to capitalize on growing business levels.

In addition, Heaton says Southeastern only is hiring about 900 people instead of the many more that it would have had to hire and train if it had laid off employees. While remaining conservatively optimistic, Southeastern is finalizing shipment projections for this year and preparing to order new equipment and expand facilities that need additional capacity to support growing business activities.

No pink slips

When the economy began to erode in 2008, Southeastern formed a "Keep Our People Working" task force to maintain its no-layoff commitment. The task force developed strategies for each service center with goals of keeping all employees working and maintaining all benefits and wage levels.

From reducing costs for outsourced services to refurbishing trucks instead of buying new ones, the task force successfully found creative ways to carry out its mandate. For example, an hourly rate system was adopted temporarily in which companies could lease a truck and a driver. Employees also were put to work in other roles, such as drivers working in the maintenance shop to refurbish trailers and perform other maintenance work.

Although costs were cut, Southeastern says it was able to improve its service and safety standards. Last year the company saw the lowest accidents per million miles and the lowest total injuries per 200,000 hours in the past decade. Southeastern also continued to raise numerous performance benchmarks, including transit time, shipments per claim, invoicing accuracy, pickup-and-delivery cost ratio and dock efficiency.

"I am very proud of what Southeastern has been able to accomplish amid the economic challenges that our customers and the entire economy faced during the recession," Heaton says. "Our dedicated employees make this all possible, and it is our commitment to them that has put us at a great advantage as we look to begin our largest wave of hiring since 2006."

Ready for growth

To further improve efficiency and provide room for future growth, Southeastern earlier this year opened a second service center in Charlotte, N.C., in response to growing business in the region. The new facility has 123 doors and a full maintenance shop, providing additional transportation





Southeastern Freight Lines President W.T. Cassels III (left) and W.T. Cassels Jr., chairman, continue to build on the company's 60-year history of customer service excellence.

capacity for the region and Charlotte's growing south side. The ability to traffic freight through two locations in areas with heavy traffic congestion helps maintain on-time delivery standards and other measures of efficiency.

Last year, the company expanded its service center in Savannah, Ga., with the addition of 20 freight doors, boosting the total to 58. Also last year, Southeastern began offering next-day service between its Oklahoma City service center and its facility in Odessa, Texas, allowing the company to provide overnight service for customers who ship or receive in this lane. "Our customers, especially those in the oil field market, have requested next-day service, and now that the economic state of the oil business is improving, we're positioned to fulfill their needs," says Dean Baker, regional vice president of sales.

Southeastern earlier this year launched a new subsidiary, Southeastern Logistics Solutions, to provide expedited service and multimodal transportation services through strategic capacity partnership. Initially, the primary focus for SLS is in the truckload service areas of dry van, temperature-controlled reefer, flatbed and intermodal rail.

SLS also will oversee and manage all expedited products that require partnership capacity outside of the Southeastern LTL network. The company says that over time, SLS will introduce cartage, drayage, air freight, residential delivery and import distribution services.

"We recognize that a number of our customers have additional needs for a partner with the ability to provide all modes of transportation, and we want to always be positioned to say 'yes' to their transportation needs regardless of service type," says Tobin Cassels, president of Southeastern Freight Lines.

Closing the window

Southeastern's commitment to customer service was further evident when it introduced its Estimated Time of Delivery (ETD) service feature last year. Southeastern says it now can estimate the delivery of a shipment within a two-hour window and provide this information to customers via the Internet, PDAs and mobile phones.

Previously, customers could visit various reports online to see that a shipment was out for delivery, but they had to call the service center to get an estimate of when the shipment would be delivered; this was usually a "guesstimate" of when the driver would be in the area based on experience. While not always accurate, this was the best that could be done given the technology available.

Southeastern says its new ETD feature is supported by the information technology investments the company has made over the past decade. Southeastern's Synergy Routing System designs the most efficient route for freight delivery, taking into account customer addresses, appointment times and the fact that right turns are faster than left turns. Using this data and standard handling times associated with the volume of freight, Southeastern is able to develop a schedule of estimated delivery times. A plus/ minus one-hour window is added to the computed delivery time to allow for traffic or customer delays.

Once a window of time is established, Southeastern's Laser Dispatch System provides real-time data communications that show the actual route start time along with the arrival and departure times at each customer stop. This information corrects the original schedule, if necessary, and if a delay impacts the schedule outside the two-hour window, the system automatically adjusts the subsequent deliveries accordingly. The ETD then is displayed on the status report that can be viewed by the customer and service center associates.

"In today's market, providing customers with the information they need when they need it is just as important as moving the freight," says Braxton Vick, senior vice president of corporate planning and development. "By making the best use of our onboard computer technologies, satellite and terrestrial communications, geocoding tools, sophisticated software and the Internet, we are able to keep our customers updated with the most accurate information available."

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UPS Atlanta

Takes fuel efficiency matters into its own hands by helping to create a lighter, more fuel-efficient delivery van.



Rattling the cage

P&D giant UPS takes a proactive approach to controlling fuel costs

By Jack Roberts

hen fuel prices suddenly shot up to unprecedented levels in 2008, the management team at UPS surveyed the North American economic landscape and came to a jarring conclusion: The world had changed. The Atlanta-based multiplatform delivery giant realized it would have to begin operating in a vastly different manner to remain competitive, productive and profitable in the future.

Dale Spencer, UPS director of engineering, told his team members they would have to dedicate themselves to controlling fuel costs and usage – and get serious about those issues. At the time, Spencer noticed a lot of interest and talk about new technologies such as electric vehicles and hybrids. But once fuel prices dropped, that talk largely died down.

"It's a lot like the situation we're in today," he says. "People are relieved because fuel prices are now back down to \$3.50 a gallon or so. And they're acting like this is a great thing. But that's an awful lot of money in costs for a fleet as large as ours. So the bottom line for my team was that no matter what fuel prices did in the future, we wanted to reduce our company's dependence on foreign oil."

But as Spencer and his team investigated new fuelsaving technologies available in the market, some pertinent facts became obvious. "We realized that many of these solutions – even ones that have been around for a long time – are actually in their infancy in terms of development and real-world validation," he says. While many ideas tossed about at UPS appeared promising, they didn't have the widespread interest or economies of scale that the companies developing them needed for research and development or to drive acquisition costs down.

While acknowledging that UPS needed to gain experience and work with as many of these new technologies as it could, Spencer says the overriding message that eventually emerged from his team's research was that fundamental engineering changes to the vehicle types currently in use could pay immediate dividends in ways that more exotic and expensive technologies could not.

"Any time you make something lighter, you're hauling less weight, and you're using less fuel," he says. "In the past, we've been like every other fleet out there – we've taken products that were out there, and then tweaked them and adapted them for our specific needs and applications."

A vision for the future

UPS has a reputation for taking a heavy hand in designing the trucks that go into its fleet. That said, the company didn't simply draw up plans for a new truck and demand that somebody build it. "This didn't happen overnight, but eventually we asked ourselves what we could do to get our vendors to respond to our desire for better fuel economy and lighter weight," says Spencer, who visited with the company's vendors and told them how UPS envisioned its future delivery vans.

The basic message from UPS was simple: "We have identified some trends and some problems. And we've also identified some solutions we want to solve those





Utilimaster designed an ultra-lightweight van body using cutting-edge composite materials around Isuzu's clean-diesel 150-hp Eco-Max engine.

problems. And we're urging you to respond to what we're telling you and come to the table with some ideas and products to help us meet these new goals."

Spencer says UPS historically always has used overpowered diesel engines in its delivery vans, which the company refers to as "package cars." "When fuel was cheap, that didn't matter," he says. "We went with what was available because we had other things to worry about."

UPS now found itself actively seeking a lighter, more economical diesel engine with horsepower characteristics better suited to its applications. "As a result, some vendors that we historically hadn't done a lot of business with stepped up to the plate and said, 'We can help you,' " Spencer says.

Two of those vendors eventually partnered to give UPS the deliv-

"Any time you make something lighter, you're hauling less weight, and you're using less fuel."

- Dale Spencer, UPS director of engineering

ery van it envisioned. Utilimaster designed an ultra-lightweight van body using cutting-edge composite materials around Isuzu's cleandiesel 150-hp Eco-Max engine. Utilimaster designers, taking UPS's mission to heart, also delivered a van that was smaller than the current "package car" – and 13 percent more aerodynamic to boot.

The main design tradeoff was in payload: The new concept vehicle, CV-23, has a cargo capacity of 4,200 pounds compared to 4,800 pounds on the older vans. But the new design is about 10 percent lighter than the older vans, and when combined with the lighter, more economical engine, UPS is anticipating overall fuel savings of up to 40 percent per van compared to the company's current models, Spencer says.

The power of brown

Spencer freely admits that UPS enjoys purchasing power in the trucking industry. But he's quick to point out that this is not just a story of a major player strong-arming its suppliers into developing products.

"We have always been involved in the day-to-day engineering of every vehicle model accepted into our fleet," Spencer says. "That can be hard for the manufacturers. But they have learned that once we're done and satisfied with a vehicle, it's gold in our eyes."

Spencer says any fleet that's about to spend a lot of money on acquiring new vehicles needs to make sure it understands what it wants and needs when spec'ing – and then work with OEMs to make certain they get what they're paying for.

"By being involved to that degree, you can really make the manufacturers understand why even little details on the vehicle are so important to you," he says. "Be proactive. Ask questions. And don't be willing to always take whatever you're being offered. Think about what you want."

Input from all parties is critical, Spencer says. "Talk to everyone involved – from drivers on up – and be willing to explore new ideas and options when you do sit down with your vendors. If you work those details on the front end of an acquisition project, you're always going to benefit throughout the entire working life of those vehicles once they're in your fleet."

Innovators profiles carriers and fleets that have found innovative ways to overcome trucking's challenges.



Pitt Ohio Pittsburgh

Develops a solution for automating much of the company's online credit collections and customer service interfaces.



Weaving a better Web

Pitt Ohio upgrades efforts in Customer Service and Collections departments, driving productivity increases and cost savings

By Jeff Crissey

As an early pioneer of next-day less-than-truckload services coming out of federal regulation in the late 1970s, Pitt Ohio since has broadened its offerings to include truckload and supply chain services, and last year began offering a ground service to provide customers with small package solutions. As part of The Reliance Network, Pitt Ohio also provides nationwide LTL services.

During that time, the Pittsburgh-based carrier repeatedly has demonstrated its commitment to its customers through innovation designed to improve interaction with its customer base, winning a host of industry awards. In 2006, Pitt Ohio was first recognized as a *CCJ* Innovator for its customer service efforts and systematic approach to improving efficiency.

Five years later, Pitt Ohio finds itself a *CCJ* Innovator for the second time for developing an elegant solution for automating much of the company's online credit collections and customer service interfaces.

Automating the front office

In recent years, Pitt Ohio has seen an explosion in the

number of customers and third-party payment companies requiring the use of B2B Web portals to perform regular business transactions, each with a unique set of screens and logins.

Earlier this year, representatives from the company's Credit and Collections department and Customer Service department approached the Information Technology team seeking help in managing the proliferation of Website processes that were eating up departmental time and resources.

Customer Service was faced with high-value accounts that required manual load acceptance and updates to shipment statuses. Credit and Collections was challenged with an increase in the number of customer and third-party payment sites it interfaced with on a daily basis.

"The long and short of it was just too many different sites, too much complexity and too much manual data transfer," says Darren Klaum, director, Business Systems Group for Pitt Ohio.

To address the issue, Pitt Ohio established a "Web Integration & Automation" initiative to reduce employee interaction with external B2B portals while still meeting customer demands, improving productivity, reducing errors and streamlining processes.

Pitt Ohio began by identifying the most time-intensive customer and payment sites and investigated how those processes could be virtualized to minimize the stresses within the departments. Using Kapow Technologies' Katalyst Web integration software, Pitt Ohio set up "robots" – custom programs that automate a user's Website interaction, allowing for custom data extraction – in the Customer Service and Credit and Collections departments, and monitored the data migration for a three-month period.

The pilot proved so successful that Pitt Ohio immediately began installing robots in the Customer Service department for strategic accounts. Klaum says the migration of those accounts to Web automation has eliminated errors and reduced costs by sending data automatically as it becomes available and drastically cutting the need for a customer service agent to perform Web-based tasks.

The most recent robot for the Customer Service depart-



ment cut the human involvement from a four- to six-hour process down to 30 minutes. "We're seeing similar results throughout the Customer Service department," says Klaum. "They're taking calls now instead of performing manual data entry."

By freeing up employees to focus on value-added services for Pitt Ohio's clients, the company hopes the focus on Web automation will allow it to build on its customer service goals. "The accounts we've converted in the Customer Service area require special attention because they need to be updated more frequently or have a direct point of contact," says Klaum. "Hopefully in the future this will allow us to add more white-glove service accounts."

Pitt Ohio has added Web automation to roughly half of the 70 Websites used by the Credit and Collections department, and has seen productivity improvements of 25 percent as personnel no longer are required to copy data from one system to another before being able to analyze the information. The automated interactions between the external Website and the company's internal collection software have improved data quality and provided more timely information, allowing collections agents to focus on value-added services rather than administrative tasks.

"They're taking calls now instead of performing manual data entry."

– Darren Klaum, director, Business Systems Group

The integration also has improved cash flow. Before Pitt Ohio's Web Integration & Automation initiative, invoices 40 days past due were audited based only on information pulled every two weeks. Now, the company can load invoice updates immediately, allowing the agents to quickly take corrective actions and decrease outstanding receivables.

Pitt Ohio's strategic approach has allowed the company to identify, support and upgrade efforts in both departments, driving productivity increases and cost savings throughout the organization. "This innovative way to leverage technology to meet the growing demand and emphasis on B2B portals has enabled Pitt Ohio to perform business more efficiently," says Klaum.

All software programming is done on Pitt Ohio's end, requiring no feedback or interaction with customers.



Pitt Ohio's Web Integration & Automation initiative reduced employee interaction with external B2B portals while still meeting customer demands, improving productivity, reducing errors and streamlining processes.

"Our customers and freight payment companies probably don't even realize we're using an automation tool to pull information or place information onto their sites," says Klaum. "To them it looks like any other user. Plus, we can do this without affecting their Website's performance or response time."

Once a robot is built to interface with a specific B2B portal, it is easily customizable. "If a customer's Website is updated or they change the way they display data, it doesn't take a complete recoding of the whole program to fix it for that situation," says Owen Baker, Business Systems analyst. "Point-and-click technology allows you to update the initial logic."

There's an app for that

In keeping with its focus on customer service, Pitt Ohio was an early adopter of smartphone technology, releasing an iPhone app in 2009 that allows customers to track shipments and calculate transit times for shipments anywhere in the Pitt Ohio service area. The company since has added real-time shipment activity for third-party, inbound and outbound less-than-truckload and ground shipments, and customers now can view and save copies of LTL bills of lading and their LTL proof-of-delivery receipts.

For non-iPhone/iPod users, customers still can access the information on their mobile devices through Pitt Ohio's mobile website, m.pittohio.com. "As information demands increase,

Pitt Ohio will continue to provide our customers with critical shipping information anytime, anywhere," says Scott Sullivan, Pitt Ohio's chief information officer and chief financial officer.

PITTOHIO



ABF Freight Fort Smith, Ark.

Developed a tool to interconnect logistical data streams to manage shipments.



Streaming data

ABF's Customer Shipment Manager makes light work of a cumbersome process

By Aaron Huff

hen a nationwide retailer plans to roll out new merchandise, thousands of transactions and communications will take place between the shipper, carrier and consignees. A complex stream of logistical data must be managed for the rollout to proceed on schedule.

Last year, a fast-food restaurant chain famous for its fried chicken decided to add baked chicken to its menu. This major undertaking required special ovens to be delivered and installed simultaneously at thousands of locations nationwide in a tight timeframe. To help make the project succeed, ABF Freight had to integrate logistical data streams from oven suppliers, thousands of restaurants, pickup-anddelivery drivers and installation specialists.

More recently, another company rolled out a new line of household fixtures to its stores nationwide. The project involved moving product via containers internationally to a domestic warehouse for packaging. From there, merchandise was shipped to hundreds of locations simultaneously within a one-week timeframe. For every day of this project, ABF Freight provided its customer with multiple detailed reports about the delivery performance at each store.

ABF Freight always is evolving and expanding its slate of logistics activities. A critical part of managing complex projects is to coordinate and integrate data streams from multiple parties. After ABF management asked its IT department to develop a better method for doing this, a new Customer Shipment Manager application was developed in short order.

Instant analysis

While transportation companies seldom lack data, the greater challenge is finding the time and resources to mine this data, especially when complex projects with tight timeframes do not allow hours or days for business analysts or computer programmers to query separate databases to obtain critical information. A drawback of using electronic data interchange, Web portals and other common methods to exchange information is limited flexibility to respond to specific information requests.

More carriers now are using data warehousing technology to consolidate data across various sources into a relational database used specifically for reporting and analysis. ABF Freight initially developed CSM in this fashion as a way to integrate customer service-oriented data.

As part of developing CSM, the IT department at ABF – a company known as Data-Tronics – created algorithms to find and filter critical data quickly for managing specific projects. The CSM application intelligently pushes the proper data to the proper people within ABF to make proactive customer service decisions.

CSM was field-tested during the fast-food restaurant project. The application had the flexibility required to receive and store supply chain data, and it also was able to accept varying data formats. But the database's relational tables soon proved to be too cumbersome for expansion.

CSM then was redesigned to use XML to provide search engine-style speed for managing rapidly changing supply chain data. This enhancement enabled CSM to import data from more data formats, including Excel spreadsheets, and leverage ABF's Web-based shipment





ABF Freight's Customer Shipment Manager has improved communication between the customer service department and the terminals that route trucks, drivers and freight for pickups and delivery.

tracking system to create a single source of logistical management data.

Today, at the click of a button, ABF is able to design logistical support packages quickly based on the specific needs of each customer. In turn, ABF customers gain real-time data that can be communicated in a variety of formats, including PDF files, EDI and Excel spreadsheets.

Early resolution

The CSM application is used mostly by the ABF ByRequest team, a centralized group of the company's logistics specialists. The team operates within ABF's Customized Solutions group and works with customers to manage shipping challenges.

CSM uses templates to assist users in the setup process. Its features simplify the process for the ABF ByRequest team to acquire information they need internally and what they send to customers. The team can

"We are able to provide information efficiently, comprehensively and accurately in an expeditious manner."

- Brent Dorrough, ABF manager of Customized Solutions

establish or refine the criteria quickly to identify problems in advance.

With CSM, the team can establish custom work crews for specific projects. If a coordinator needed to check the same five sources of data each day, the team could set the CSM program to monitor those data sources automatically and provide a single seamless data stream.

What once might have taken a business analyst a day to accomplish now can be accomplished in a matter of minutes. Moreover, coordinators are managing the project's logistics using a single app rather than juggling various apps. The application puts everything ABF's specialists need to plan, execute and manage supply chain data at their fingertips.

The retailer who contracted with ABF to deliver household fixtures to nationwide stores wanted to receive reports on a store-by-store basis. The details included the store manager's name, what time the store was contacted by ABF for delivery, and if the delivery appointment was made at the specified time or if the manager chose a different time. The daily report also showed what time each shipment was delivered and if any quantities were short or damaged.

CSM also has improved communication between the customer service department and the terminals that route trucks, drivers and freight for pickups and delivery. If a shipment is running behind or is routed incorrectly, these and other problems will show up in advance.

"We proactively try to correct or resolve problems before they become an issue for the customer," says Brent Dorrough, ABF manager of Customized Solutions. "If the shipment looks like it needs help, we are there to provide it."

The CSM application gives management increased oversight control. Managers can analyze data to determine new ways to improve efficiency. They also can use the app to assign roles for various coordinators monitoring particular projects.

Creating a virtual glass pipeline for real-time shipment tracking and greater management control of logistical procedures are the project's primary achievements. The CSM has made it easy to execute what would otherwise be a cumbersome process.

"We know we are able to provide information efficiently, comprehensively and accurately in an expeditious manner," Dorrough says.

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ccj INNOVATORS

AMERICAN CENTRAL TRANSPORT Liberty, Missouri



its sights on military veterans returning from Iraq and Afghanistan with valid Class A commercial driver's licenses that have experience in operating heavy equipment but not in an over-the-road environment.

In order to qualify these two new sets of

No stone unturned

American Central Transport's new recruiting program and company driver pay model help pave the road to success BY JEFF CRISSEY



uring the recession, American Central Transport shrunk its fleet size to weather the slump in freight. But as the economy picks up and freight rebounds, the Liberty, Mo.-based com-

pany – like many carriers – faces the task of filling seats in an increasingly competitive driver market.

Prior to the recession, ACT offered many common strategies to attract and retain drivers, including referral and sign-on bonuses and elevated driver pay. This time around, however, the company realized it would have to take some new approaches to recruit drivers and improve driver performance to boost

Opening new doors

profitability.

Adding to the challenge of finding drivers is ACT's demanding qualifying process to hire top-echelon drivers without compromising its standards, which up until recently meant hiring only drivers with industry experience within the last year.

ACT realized it was discounting an entire subset of driver candidates – former drivers that left the industry during the recession that once again are looking for jobs and are calling

the company's recruiting office. "They wouldn't qualify under our normal standards due to the length of time they've been off the road," says Aaron Thompson, vice president of operations. "They may have 15 years of driving experience, but none of it is in the last three or four years."

With close proximity to several military bases in the Kansas City area, ACT also set

ACTivate Careers Program, a threephase finishing school and career path designed to re-acclimate returning drivers to new technology and get discharged military CDL holders accustomed to a lifestyle in commercial trucking.

driver candidates, ACT established the

ACTivate begins with eligible drivers entering a five-day orientation program and classroom training on electronic logs, safety compliance and new truck technology. They then are paired with company driver trainers and hit the road for one- to two-week training sessions. "Technology has changed a lot in the last three to five years, and the trucks

ACT developed a driver recruiting program targeting returning military veterans and former drivers and initiated a performance-based driver pay program these guys were driving pre-recession are completely different in terms of technology and what the drivers are expected to understand in the cab," says Thompson.

Upon successful completion of the finishing school, drivers

are given a company truck and begin a 60-day probationary period. While new drivers sign on with ACT as company drivers, ACTivate provides a career path to convert them to lease operators and

INNOVATORS



American Central Transport's goal for drivers entering the ACTivate Careers Program is to convert them to lease operators and independent contractors.

ACT'S PERFORMANCE METRICS

The rate at which company drivers are compensated is based on five key metrics that are most important to ACT:

- Utilization (miles per week)
- Fuel economy (average miles per gallon)
- Safety (roadside violations, crashes, incidents)
- Service (on-time pickup and delivery)
- Route compliance (prescribed routing and fueling solutions)

eventually independent contractors.

"Within six months, we can look at a driver's performance and gauge if he understands what he has to do to run a business on his own," says Thompson. "Based on how he scores as a company driver will tell us if he'll be successful as an independent contractor."

Paying for performance

Until this year, ACT always has paid company drivers at rates based largely on tenure, with incremental annual increases to reward loyal drivers. During the recession, however, the company began to look at company driver pay in an entirely new way.

ACT has been using driver scorecards to rate driver performance since 2008, assigning an A, B, C, D or F grade to each driver based on utilization, fuel consumption, safety performance and service levels to identify which drivers it wants to retain and which ones need counseling or it needs to let go.

"When we zeroed in on driver pay, what we found is some of the highest-paid drivers were our lowest-performing drivers, and some of our highest-performing drivers were on the lower end of the pay scale because they haven't been with us long," says Tom Kretsinger Jr., company president.

On Jan. 1, ACT rolled out its "pay for performance" company driver pay model in which company drivers no longer are paid by seniority, but by actual performance in five key categories. [See "ACT's performance metrics."] Every six months, ACT adjusts driver pay based on the driver's scorecard from a range of 36 to 45 cents per mile; they will keep that pay rate until each six-month evaluation period ends.

To soften the transition in pay structure, ACT elevated the pay of its highest-performing drivers immediately, but didn't lower driver pay for underperforming drivers until the July 1 reset date to allow them a chance to improve performance.

The theory, says Kretsinger, is to incentify everybody to become the best driver they can be in terms of the metrics that help improve safety and service levels and increase profitability. "If a guy drives 120,000 miles a year at 6 miles per gallon, he is burning 20,000 gallons. If he averaged 7 mpg, that comes to about 17,000 gallons. That's \$12,000 in fuel savings over the course of a year," he says. Drivers that regularly use ACT's fuel network also save the company an additional \$5,000 per year.

"As I crunch the numbers, I want to pay my company drivers 45 cents per mile," says Kretsinger. "The guy that is doing things right is well worth what we pay him. It is our hope that all drivers achieve the top level."

To notify drivers of their performance during a six-month cycle, ACT provides drivers with midterm grades, identifying the metrics in which they need to improve in order to maintain or elevate their pay. "Midterms provide us with a good idea of who needs counseling," says Thompson.

Kretsinger says the company saw immediate change in behavior once the program rolled out, including jumps in route compliance and fuel savings.

"I'm more conscientious," says Dwight Manson, ACT company driver. "If you do a good job and hit all the points and make your deliveries on time, you feel like you are excelling. When a company takes care of you, you want to do a good job for them."

And that is the exact response that Kretsinger and ACT want to hear.

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MODERN TRANSPORT Pittsburgh



Combining culture with technology

Modern Transport builds upon crash avoidance system to develop award-winning safety program BY JACK ROBERTS

osing a college friend in his mid-20s in a heavy-duty truck crash is something that Patrick Cozzens frequently recalls in his role as president and part owner of Modern Transport, a Pittsburgh-based national bulk hauler. When Cozzens came on board at Modern six years ago, the company was dealing with the fallout from a couple of its own rear-end crashes. In one of his first executive moves at the fleet, Cozzens - along

with input and full cooperation from ownership - decided to build on Modern's long-standing safety culture with a goal of expanding it, focusing specifically on reducing rear-end collisions.

Modern has 24 terminals along the East Coast and as far West as Colorado. The company hauls bulk materials from sand pits, limestone mines and rail sidings to manufacturing plants. About 60 percent of its traffic is on highways with 55 mph speed limits, with the other 40 percent hauling on rural routes.

Like most fleets faced with safety concerns, Modern's first instinct was to turn to technology to solve the problem. After researching a variety of safety technologies, the company selected a radar-based

rear-end collision avoidance system. "We were really pleased with the blind-spot monitoring it offered us, but the primary benefit was the following-distance monitoring," Cozzens says.

Impressed with the system, Modern equipped all of its 275 trucks with the technology. The system provided an audible warning if drivers were within 31/2 seconds behind the vehicle in front of them. After Modern had run that system for about a year, the company realized it was difficult to quantify how well it was working.

"We weren't having crashes, but downloading the data was problematic," Cozzens says. "You had to go to every truck and download the data with a laptop. When

you have 24 terminals around the country, and many of our trucks are doubleshifted, it was very difficult." Modern tried designating a staff member to oversee data collection and bought several laptops. The effort proved haphazard - data from some trucks would be downloaded weekly, while other trucks might get downloaded once a month.

A bigger problem was what to do with the information once it was in hand. Knowing what the drivers were doing on the road was good, but Cozzens quickly discovered that transforming raw data

Modern Transport developed an award-winning safety program by taking its technologybased system further through driver participation and education.

into a useful safety strategy was the real challenge he faced if Modern was going to make its technology investment pay off.

Going further After some thought, Cozzens

decided to create performance criteria based on the safety data and began posting driver safety performance results

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Modern installed a new policy requiring drivers to spend no more than 3 percent of their total drive time at an unsafe following distance interval behind the vehicle in front of them.

"Our culture has sort of taken over the technology to some extent."

 Patrick Cozzens, president publically in Modern's terminals.

Modern also installed a new policy requiring drivers to spend no more than 3 percent of their total drive time at an unsafe following distance interval of less than 3½ seconds behind the vehicle in front of them. If they were above that number, they had 30 days to fix it, and if they didn't, they faced termination. "We actually followed through and terminated five or six drivers," Cozzens says.

The new policy had an almost immediate impact on fleet safety. "The in-cab warnings worked well, but the real improvement came when the drivers saw their names and monthly rankings – from best to worst – on the terminal walls," Cozzens says. Modern also tied financial incentives into the rankings by granting safety bonuses to top performers.

The next step was implementing a dedicated education program to complement the technology in the trucks. "We wanted to create a dramatic and emotional program to really drive home the need for safety in this regard," Cozzens says. "We really tried to frame this in a way drivers could easily understand."

One fact that made an impact on drivers was that a 2,000-pound pickup truck would have to exceed 300 mph to generate the same velocity and impact force that an 80,000-pound truck generates at 70 mph when it hits another vehicle. "We combine that type of education with several videos that really tug at their heartstrings showing the impact on families' lives and truckers' lives who have been involved in these types of accidents," Cozzens says.

A final step was partnering with Modern's insurance provider, Great West Casualty, to create an aggressive value-driven driving program. "We've taken that program to heart," Cozzens says. "This program teaches our drivers to operate with a set of core values like honesty, integrity and respect for the value of human life."

After six years, the following distance program has had a positive fleetwide impact in a number of ways. Cozzens says Modern's SafeStat warnings fell below 25 in all SEAs within 18 months of implementation and have remained there since. For four consecutive years, Great West Casualty has recognized Modern as a Platinum Award winner, which goes to only the top 5 percent of the insurer's carriers. During that same time, the company has grown its annual miles by a third, while its total net insurance expenses have dropped to half of what they were six years ago.

Even better, the following-distance program put Modern ahead of the game in terms of Compliance Safety Accountability and has allowed the company to stay there; Modern has no exceptions in any of the seven Behavior Analysis and Safety Improvement Categories. "Our drivers know that we care about them and the people on the road around us," Cozzens says.

Modern's revitalized safety program has come a long way from its origins in following distance. "We've really evolved," Cozzens says. "Our culture has sort of taken over the technology to some extent." The company now utilizes real-time in-cab positive-reinforcement coaching systems, and it recently governed all trucks at 62 mph.

"Now the risk of a rear-end collision is even lower, and we're now able to tie safety in with driver fuel economy incentives," Cozzens says. Some terminals now are achieving fuel economy averages of more than 7 mpg as a direct result of the company's safety program. "It's worked out really well for us all the way around," he says.

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WIL-TRANS Strafford, MO



The road to recovery

Wil-Trans revamps CDL training, apprenticeship program to bring in, retain new drivers BY AARON HUFF

oute 66, the original American highway, once linked Chicago to Los Angeles and many small communities in between. While no longer a viable route for interstate commerce, the old road became a symbol of adventure and freedom.

Today, people who are considering a career in the transportation industry still may get their kicks on Route 66 in Strafford, Mo. That's where they can find Wil-Trans, a nationwide refrigerated fleet that has been training entry-level drivers for 15 years.

For years, the 175-truck company had focused its training program on drivers that it recruited from CDL schools. But Wil-Trans was having difficulty retaining drivers who also had met with recruiters for other companies while in school and had entered the industry with unrealistic expectations.

"The first time drivers had a bad day, they would hang up and call the other carriers that were in (school) to visit them," says Darrel Wilson, chief executive officer. "As things went on, those guys became tougher for us to use. We had a ton of turnover. Drivers had their CDL, but they were certainly not ready to go trucking."

High turnover also made it difficult for Wil-Trans to get a return on investment for its training and ap-

Wil-Trans organized an onsite public school to train drivers while providing them with federal and state financial assistance. prenticeship programs. So instead of recruiting drivers from schools, the company began to recruit and train new entrants with its own instructors and equipment. Drivers could earn a CDL after three weeks of training, followed by a three- to four-month apprenticeship program. As part of the agreement, drivers could pay for CDL training by working for Wil-Trans.

This new approach offered an improvement in that Wil-Trans could spend more time with drivers earlier to

determine if they indeed were in for the long haul. "We were not just teaching them how to get a CDL," Wilson says. "Drivers were learning a lot more about the industry to get a better idea of what they would be getting into."

Between 35 and 40 percent of current Wil-Trans drivers have gone through the company's training and apprenticeship programs. After 18 to 24 months of experience, they are the fleet's safest and most fuel-efficient drivers.

The downside of the program was that Wil-Trans still had financial exposure because drivers might decide early that the trucking industry was not the right fit and walk away with free training. "It was a constant source of irritation," Wilson says. "If a guy leaves us, they do not want to pay for schooling. We were constantly at odds with drivers."

Public school training

Wilson recently decided to take a different approach. In April, he – along with others at Wil-Trans – organized a new public school: Route 66 CDL and

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Darrel Wilson, Wil-Trans chief executive officer, hopes the Route 66 CDL and Apprenticeship public school training program eventually can partner with other veteranminded carriers.

Apprenticeship Inc. The entity would conduct training exercises using Wil-Trans property but have a separate office, training rooms and employees.

Part of the process of starting the new school was to get financial aid for students. The school has been certified by the Veterans Administration to use the G.I. Bill for tuition and for students to receive monthly benefits up to \$1,000 during the apprenticeship program. The school also has a relationship with the Missouri Career Centers to receive financial aid as part of an unemployment program.

Tuition for the school is \$4,000. If a student does not qualify for financial aid, the school will offer students a significant discount. Today, if a driver decides to leave the school, he does so after tuition is paid. "We shake hands and leave on good terms," Wilson says.

When drivers graduate from the school with a CDL, they can begin an employee apprenticeship with Wil-Trans. The goal is to train between four and six students per week, starting in January.

Based on past experience, Wil-Trans should see a

retention rate of between 70 and 75 percent for drivers who complete its training and apprenticeship programs. Route 66 is not just a recruiting tool for Wil-Trans, however.

"It is our hope that Route 66 can partner with veteran-minded carriers and handle the entrylevel driver training and assist them in developing and the certification of an apprenticeship program of their own," Wilson says.

Moving on up

The apprenticeship program moves through three "seat" classes. The entry-level "C-seat" driver starts at 10 cents per mile. During this period, a student driver is with a trainer for 20,000 miles. The student also communicates regularly with an assigned fleet manager about his progress. Both the student and the trainer submit weekly evaluations to the fleet manager.

After 20,000 miles of safe driving, a driver moves to a B2-seat. Pay climbs to 12 cents per mile while the driver is evaluated for another 20,000 miles. The driver continues to ride with a trainer but spends more time behind the wheel learning to drive in a team operation. The apprentice also comes to Wil-Trans for weekly evaluations and testing on following distances, pre- and post-trip inspections, safe driving and other skill areas.

The B1-seat comes next, and pay rises to 14 cents per mile for the next 20,000 miles. The driver continues to drive team with a trainer. For the last week – or 5,000 to 6,000 miles – the driver runs solo.

If the driver has a successful week running solo, he moves to an A-seat. Wil-Trans upgrades drivers, two at a time, to the A-seat status. Starting with a C-status, drivers now have completed 60,000 miles. The two – or more – drivers now are sent

through a complete orientation process for Wil-Trans and are assigned to team operations. Drivers split 38 cents a mile running team. During periods when one driver takes time off, the other driver runs solo at 36 cents per mile.

Most drivers are making \$1,000 per week at this early stage of their career. Wil-Trans also pays a weekly fuel and safety bonus. Drivers run as a team for 100,000 miles, after which they have the option to run solo as a company driver or become an owner-operator.

Wil-Trans has found that running student drivers in team operations helps them earn more money and enjoy more home time. "Drivers don't have an issue with that," Wilson says. "We've found it to be very beneficial."

The student training program with team operations also helps the company increase equipment availability. "If we can have 90 percent availability on a daily basis, that really makes a difference to the dynamics of our operations," he says. Wil-Trans also rewards drivers for longevity; for every five years of service, the company pays drivers a \$10,000 bonus.

Route 66 is on track to become a profitable entity quickly, but employees feel like they are serving a higher purpose. They see the effect of their efforts on a daily basis.

A guy who is unemployed and struggling walks into Wil-Trans. A few weeks later, he is wearing a new pair of boots. Several months later, he starts talking about how his new career is helping his family. He looks revitalized since he went to Route 66.

"I think it is a win-win for everybody," Wilson says. "It is making obvious changes for families as well as making an impact for the company." **cc**

CCJ INNOVATORS profiles carriers and fleets that have found innovative ways to overcome trucking's challenges. If you know a carrier that has displayed innovation, contact Jeff Crissey at jcrissey@ccjmagazine.com or 800-633-5953.

"I think it is a win-win for everybody." – Darrel Wilson, Wil-Trans CEO