



Connections

Challenger Welcomes Lodwick Transport

Our temperature controlled fleet grows to expand services

On June 1st, Challenger was pleased to officially welcome Lodwick Transport to the Challenger group of companies. Lodwick is a predominantly long haul refrigeration carrier operating out of Beaverton and Concord, Ontario.

"Through this venture, Challenger has been able to tap-into the entrepreneurial spirit of Gerry Lodwick and his team," said Dan Einwechter, Chairman and CEO for Challenger Motor Freight. "At the same time, Lodwick can benefit from the depth and support of a much larger continent-wide enterprise to the advantage of both our clients and drivers."

Though Lodwick now operates under the distinctive red, gold and blue colours of Challenger, it remains a separate entity. "Our customers and staff are excited about the change," said Gerry Lodwick, President of Lodwick Transport. "We can still give them the service and feeling of a smaller carrier. Now, though, we offer a wider variety of services, such as Challenger's 24/7 operations and break-down service, to accommodate growth and the larger client."

The addition of Lodwick's 60 tractors and 80 trailers enables Challenger to expand our temperature controlled fleet to 185 units and our services to a broader range of customers. We are already exploring new synergies. Clients can take advantage of customized routes such as reefer service one way and dry goods the

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Chairman and CEO
Challenger Motor Freight

other. Lodwick drivers also have access to Challenger's amenities at the Cambridge site, such as the drive-through inspection bays and refuelling stations.

Our high level of visibility remains constant. All trucks are outfitted with online up-to-the-minute satellite tracking systems. Reefer trucks additionally provide



Lodwick Transport

temperature monitoring with the capability for remote temperature adjustments while the freight is in transit, if necessary.

To discuss scheduling service, call Challenger or Lodwick. We'll take care of the rest.

Challenger Sales Contact:
Mike Bradey
800-268-2096 ext. 2413

Lodwick Sales Contact:
Gerry Lodwick
705-426-7348 ext 229

Lead by Example

Challenger launches a new look and message to customers

Challenger recently launched its latest branding initiative with stunning collateral material and a complete re-design of the Website – all bearing the powerful new company message, "Lead by Example."

"In a marketplace where the dynamics are constantly changing, Challenger provides its customers with practical, flexible, and efficient solutions," says Mike Bradey, Director of Sales and Marketing for Challenger Motor Freight. "We've achieved this success both historically and in recent initiatives by expanding our services, equipment types, and markets to meet our customers' requirements."

"Lead by Example" exemplifies this leadership role – one of reaching for answers and creating solutions. We are always looking for ways to improve service through technology, innovation, and growth. Through these things, we lead our customers to explore their options and to achieve their transportation goals. In many ways this new marketing material illustrates a way of business that has always been at Challenger's core.

Both the literature and the Website have been redesigned to provide quick access to information. We've added bullets and reduced text – simplified the navigation and quickened download times.

The Literature

Look for bold colours and graphics in all our "Lead by Example" sell sheets, brochures, and collateral materials. Developed to update our current customers as well as attract new ones, every page devotes itself to comprehensively explaining the services, equipment, technology, customer service, and safety of Challenger Motor Freight. "Our company has had tremendous organic growth across all divisions in recent years and this literature highlights all of our service capabilities in a single reference document," said Mike.

The Website

The newly designed Website incorporates all the features that customers have come to rely on, including online tracking, flexible reporting, inventory tracking, and document retrieval such as proof of delivery.

"We've added four Home page banners to highlight company news and guide visitors quickly to the pages they need, plus a new customer survey," said Mike. "Feedback has been extremely positive." The survey covers every area of our business, including sales, pick-up and delivery, customer service, invoicing, and overall performance in a quick check-box format. We also leave plenty of space for comments and suggestions.

We want to assist customers in finding information fast. "We've expanded the About Us section to include more in-depth company information and news, and to highlight the technology and the many online services available at Challenger.



A new Customer section has been added to provide customs information, company forms, and links to government agencies, maps, transportation information and weather conditions," said Les Peebles, Supervisor of Network Services. "This latest incarnation of the site has also added focus to recruiting for drivers and mechanics," he added. "At Challenger, we have always emphasized the importance of our skilled, experienced staff. The new Website has helped us connect with a broader audience and to give them important information about joining our team, right from the Home page."

To let us know how we're doing, and to offer suggestions or leads – visit www.challenger.com – and drop us a line.



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Lead by Example

Challenger constantly strives for better ways to reduce the burden on our natural resources and maintain our reputation as a leader in environmental stewardship. Two of our latest initiatives have resulted in LEED® Certification (Leadership in Energy and Environmental Design) and a SmartWay^(SM) Transport Partnership.

In Cambridge...

Challenger is Awarded LEED® Certification

With the construction of the corporate headquarters in Cambridge, Challenger was proud to make the ecological commitment that recently awarded us LEED Certification.

“The decision to build a LEED Certified building illustrates that Challenger once again took a leadership role in the trucking industry,” said Eugene Moser, President of Challenger Motor Freight. “We believe that environmentally efficient buildings are the way of the future and that customers are making the effort to partner with companies that have come on board.”

Once we were introduced to the concept, LEED building experience became a decisive factor in choosing the architectural and construction team. We additionally hired a project manager and a consulting firm that specializes in LEED projects. To achieve certification, a sufficient number of points must be achieved in six categories:

- Sustainable Sites
- Water Efficiency
- Energy and Atmosphere
- Materials and Resources
- Indoor Environmental Quality
- Innovation and Design Process

Our team took into account site selection, the use of recycled materials, ways to be water and energy efficient, and an indoor environmental atmosphere that provides occupants with superior air quality and comfort.



“We believe that being environmentally friendly is a cost effective solution in the long run,” Eugene explained. “Choosing to strive for LEED Certification has shown that Challenger is committed to the future.”

For more information on the LEED program and certification, visit us at www.challenger.com and click the “About Us” section.

Lead by Example

On the road...

Challenger Achieves SmartWay^(SM) Transport Partnership

With our recent membership in the SmartWay^(SM) Transport Partnership, Challenger has joined more than 500 shippers, carriers,

and logistics companies across North America that actively target reduced fuel consumption, greenhouse gases, and other air emissions. The



Letter from Dan

Although the Canadian economy appears to be holding, the manufacturing sector in particular is nowhere near as robust as it has been in the past. In a lacklustre year such as this one, companies must focus on costs and determine the best methods of gaining efficiencies.

At Challenger, we have undertaken a number of initiatives to this end. As part of the SmartWay Partnership, we have committed ourselves to goals of greater fuel economy – both for cost effectiveness and reduced greenhouse emissions. We have worked diligently and tirelessly with engine manufacturers. We have used technology to determine

performance, and we have doubled our efforts in training to successfully help drivers achieve higher miles per gallon. An example of this happened recently when an owner-operator asked us for help and within three months his miles per gallon went from five to nine and hard breaking occurrences fell from 25 a day to one a month.

We have also looked to our fleet for greater depth of services and routing efficiencies, and this summer we welcome Lodwick Transport to the Challenger group of companies. As a respected member of the trucking community, Gerry Lodwick holds parallel values to ours in terms of quality service and the efforts it takes to achieve this high performance

level. Through Challenger, Lodwick now has the resources of our larger enterprise to achieve the efficiencies we have developed and we expand our offerings into temperature-controlled trucking services.

The challenges we all face in the future will not diminish – to the contrary, they will increase as an industry. It takes a bigger carrier, such as Challenger, with more clout and more strength, to deal with them.

We continue to appreciate your business,

Dan Einwechter
Chairman and CEO

Partnership was initiated in the US by the EPA and mirror's Canada's own FleetSmart program, which we have participated in since its inception.

SmartWay rates carriers on an index with 1.0 representing very good environmental practices and an above industry average. Challenger achieved 1.25, exceeding the Partnership's requirements in all areas. A rating such as this confirms that our fuel economy is in the upper range and that we have taken appropriate measures to maintain that level.

“This Partnership helps demonstrate to customers that Challenger is doing the right thing and speaks to our vision of being a responsible corporate citizen,” said Enno Jakobson, Executive Vice President for Challenger Motor Freight. “Membership is not guaranteed. Carriers must establish goals and meet certain criteria. Reducing fuel consumption is a continuing mandate at Challenger, but our goal with SmartWay is to improve our current fuel economy by 10% over the next three years.”

Since the new engine technology was legislated, emissions have been substantially reduced but fuel efficiency has been adversely affected by up to 2/10 of a mile per gallon. To combat this, Challenger has taken steps to reverse the trend:

- We have worked closely with OEs on their software for shifting in automatic transmissions.
- Super-single-tires have replaced double tires on some of our equipment where possible to improve rolling resistance.
- Alternate power units maintain cab temperature and recharge batteries to reduce idling time.
- Driver trainers download data from our satellite monitor to analyze our trucks' engine operation and the road management skills of our drivers. Re-training steps are taken as required.

“Given the high cost of fuel and the public's concerns about the environment, it goes a long way for customers to be able to say their choice of carrier is a leader in the industry, is viable for the future, and is a responsible environmental steward.”



LEED is the benchmark Green Building Rating in the US, which awards points for building attributes considered environmentally beneficial. In Canada, LEED is sponsored by the Canadian Green Building Council and is tailored for Canadian climates, construction practices, and regulations.