

Connections

TECHNOLOGY

SAFETY

COMMUNICATIONS

EQUIPMENT



DEDICATION

INGENUITY

EXPERIENCE

Building the Future

Challenger Breaks Ground for New Facility

Within the year, both drivers and staff will be on the move when Challenger Motor Freight completes its new corporate headquarters. Construction crews were already working even as the ceremonial first-shovel broke ground at the new 53-acre Maple Grove site.

Speaking to a group of staff, friends, local officials, and contractors who joined him for the official launch in May, Challenger President Dan Einwechter said, "It's going to be a world-class facility. Drivers are going to love it. We think they'll be very proud of it."

Challenger's years of continual growth were a prime factor in building this facility – growth that was made possible by customer loyalty. Many of the features that were integrated into the plan were designed to improve efficiency and to maintain a high level of safety for drivers and for customers' freight.

For safety – The new facility includes a driving simulator in its training centre – safety lanes in the maintenance facility – and bunk rooms, showers and 24/7 cafeteria amenities for anyone with a long stopover.

Increased truck handling for faster response time – Drivers can spend less time at the terminal and more time on the road – and we can take greater control over the mechanical and logistical demands of their trucks. The maintenance facility includes on-site parking for 700 trailers, double the current quota – a staging area for maintenance – more bays – an expanded parts department – yard management software that can pinpoint a trailer's location anywhere on site – a streamlined pre-inspection area – and indoor fueling.

Construction of the maintenance facility is scheduled for completion first. The operations centre, which will house the new corporate headquarters, will follow shortly afterwards. Each building will reach 50,000 square feet in size when complete.

Though Dan said in his remarks, that "This project is the culmination of 29 years of hard work," Challenger's new corporate headquarters brings the start of a new era for the company.



Dan Einwechter (shown 3rd from the right) at the official launch of the new site

"It's going to be a world-class facility."

– Dan Einwechter,
president

The Cost of Initiatives



While recent articles have discussed the latest initiatives within the trucking industry – less focus has been spent on the cumulative effect they have had on each other and on the trucking industry as a whole.

“Several factors that affect the cost of transportation are coming together,” says Enno Jakobson, Vice President, Risk Management. “It is a collective issue that must be dealt with on a daily basis.”

Certainly the cost of fuel is on everyone’s mind. We need only look at the price of gas to see the rapid fluctuations. But beyond

rising fuel costs lies a network of interrelated issues that tends to gravitate to two causes – each having an affect on our operating costs and the satisfaction of our drivers.

By addressing these causes, we can assess our available options for managing the underlying influences:

Customs pre-clearance – Until now, few initiatives have put as much strain on the infrastructure of our industry, while offering as little in return, as customs pre-clearance. Carriers have needed to hire additional administration staff to handle the fax and EDI transmissions of electronic entries, yet many border crossings have still not provided a FAST lane for these pre-cleared trucks. Their waiting times at the border remain consistent with regular truck traffic, and increased idling times have added to fuel costs. Factoring into this are the US new hours of service legislation, which reduces the number of miles the driver can accumulate once he is freed from a delay. When viewed as a whole, costs are up but time efficiency has not balanced-out.

US hours of service – Though it affects the border crossing problem, the new US hours of service has become an influence on rising costs in its own right. By adhering to this legislation on US soil, time lost for any reason cannot be recovered. Waiting times at both Customs and customer docks are added to the legislated maximum number of hours in a shift. In an effort to pinpoint the greatest delays, Challenger has

recently implemented detention-monitoring software that works with its existing satellite tracking. Once a geo-marker is tripped, at customs or at a shipping dock, a timer measures the length of delay.

Despite our attempts to track delays, however, drivers have no control over lost miles and hours. To retain and attract new drivers to the industry, they must continue to be compensated fairly.

With six months of the new US hours of service behind us, Challenger has already seen a degradation of productivity, much of which is directly related to waiting times. This degradation will only amplify when Canada implements its own new hours legislation.

“It is vital that we work together with our customers to improve efficiencies at the dock and through customs where we can,” says Enno. Increased rates for customer contracts might be the only alternative to these mounting costs.

Customers are urged to speak with their Challenger representative to discuss time-saving procedures at their facility.

“Several factors that affect the cost of transportation are coming together.”

*Enno Jakobson
Vice President, Risk Management*



Letter From Dan



In a time when the trucking industry has been called upon to support the strengthening economy – events of the past year have made honouring that call extremely difficult. The challenges we have faced have been, in essence, the perfect storm. Many carriers were lost. Those that survived made it their strong resolve to recover from the economic doldrums of the industry.

The economy has remained extremely strong pushing up shipping volumes at a time when the motor carrier industry is already at capacity. We are experiencing an increasing number of shippers who look at higher cost expedited shipments as a short-term solution to the reduced capacity levels. Many shippers are prepared to negotiate well above the going rates.

As long-term providers, we must reach more appropriate pricing levels. We need balance if we are to succeed in bringing products to the shelves.

Though some feel that rail is the answer to capacity issues – this comes with its own downside. The apparent savings in cost per unit by train should be contrasted to the overall outlay. Rail prices inflate significantly when reduced service areas and increased delivery times are factored-in. Society, also, has grown to depend upon and want the spontaneity that trucks can provide – and which trains can not provide.

Because our distribution system is taxed, it is incumbent upon us to do the absolute best we can to get the freight to market. If the US and Canada want to continue to be trading nations, we need a well-oiled distribution system – and that means truck, rail, air, and marine all doing their fair share.

For our part, Challenger makes that commitment.

Dan Einwechter

Challenger Welcomes Brian Jones

Our Challenger terminal in Delta, BC, is the new home of Brian Jones, who joined us this June as Regional Manager. Brian, who spent the past 19 years working within the LTL transportation industry in western Canada, as well as with an industrial glove and safety supply company as Regional Manager for BC, is looking forward to the opportunity of being part of our established western team.

Part of Brian's responsibilities will be to expand our business ventures with current customers but also to investigate and develop partnerships with new clients, which he looks forward to accomplishing.

"Preparations for the 2010 Olympics are already being felt in the economy in British Columbia. I am very optimistic about the possibilities out here," said Brian.

Brian joins the three operations staff and 68 drivers who handle the shipping lanes of western Canada and the northwestern United States, and part of what he feels is his responsibility is to help them enjoy the job they are doing. You can reach our BC team at 1-800-434-2808



Challenger Logistics

The Capacity to Ship

When product is ready to go, shippers want quick, reliable transportation that guarantees safe arrival at their customer's dock. Choosing Challenger Logistics to manage their freight can eliminate both the time and frustration of the search.

Commitment

"Recent capacity levels have led carriers to be more selective in their choice of products and volumes to haul. This has made it difficult for shippers who need only a few trucks a week," says Paul Cooper, Director of Challenger Logistics. "Also, in many cases, small companies have only a short list of carrier names on file."

Challenger Logistics, aside from channeling large volumes of business through Challenger Motor Freight, has a database of thousands of carrier companies. Many run dedicated trucks for us every day – meaning we can offer a steady service-commitment to our customers.

Confidence

We partner only with carriers who share our business and customer service philosophy. "We look for companies with an established history," Paul explains. "Safety, insurance, and running authority certificates are also researched. Price is important, but service ranks as a higher priority."

Customers feel confident with the service because it is essentially the same as they have come to expect from Challenger Motor Freight. "We ensure that carriers are on-side with border initiatives, that they have satellite or manual tracking systems, and that their information is posted to our web site for real-time updates. Logistics customers also have access to our Customs team for questions they might have," says Paul. "They always have a sense of working with only one company."

Clout

Smaller shippers often find themselves at a disadvantage with carriers, in terms of priority. "The benefit of Challenger Logistics," Paul says, "is that we ourselves are a large company. We have the clout to secure commitments from reputable carriers, and therefore the capacity to funnel-in smaller freight-loads."

The size and reputation of Challenger Logistics make us attractive to reputable carriers – but it also puts us in the position to transport both small and large shipments.

For information on how Challenger Logistics can assist with your transportation requirements, please contact us here: logistics@challenger.com



"Customers always have a sense of working with one company."

**– Paul Cooper
Director,
Challenger Logistics**