

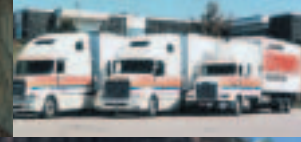
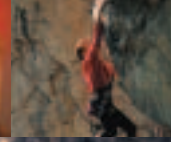
Connections

TECHNOLOGY

SAFETY

COMMUNICATIONS

EQUIPMENT



DEDICATION

INGENUITY

EXPERIENCE

Challenger Wins Again!

Canada's 50 Best Managed Companies Award for 2004 makes it four-straight

After two successful requalification years, Challenger Motor Freight underwent the original 50 Best Managed Companies application process for a second time and was once again awarded a place in the winners circle. This enables Challenger to keep their elite designation as one of Canada's 50 Best Managed Companies for a fourth straight year. They are also eligible to compete for requalification in 2005.

What separates Challenger from their competitors and propels them toward win after win is that their employees exemplify the company vision, *"We will go the distance, constantly challenging ourselves to build new standards of quality and performance through leadership, respect, and commitment."* The evidence is noticeable through their continual innovations in technology, customer service, e-commerce, and resolve in positioning Challenger as the company of choice and as the total solutions provider for their customers.

Acknowledging the award as an enormous accomplishment by the staff, Dan Einwechter, President of Challenger, said, "I believe that information equals power, which equals money. With the right information, it gives people the power to make decisions, which in turn hopefully helps you make more money – and win awards such as this." Challenger ensures shared information with staff through its training, company newsletters, driver CDs, and the monthly employee appreciation lunches.

Leadership focus was also moved from management to the supervisory level. "The moment you have more than ten

employees it is imperative that you empower people. You must give the managers the training and the tools to make decisions and to delegate effectively."

Part of the 50 Best Managed Companies mandate is to recognize the efforts of the entire organization. In this sense, Dan says further, "We're not perfect. Much like a sports team with a winning season we don't win every game – but we perform better and win more than the others. Others talk it – we do it."

Canada's 50 Best Managed Companies award was launched in 1993 to recognize companies that had successfully faced challenges to growth and prosperity; today it symbolizes companies that have a Canadian success story to tell. The program is sponsored by Deloitte, CIBC Commercial Banking, National Post, and Queen's School of Business.



"The moment you have more than 10 employees it is imperative that you empower people."

Dan Einwechter
President, Challenger Motor Freight

Challenging the Capacity Shortage

Challenger takes to the road

Industry statistics indicate that by 2010, Ontario will need 70,000 new drivers just to keep up with forecasted economic growth and attrition. Already, the shortage has had an impact. According to a survey done by Logistics Magazine in conjunction with Georgia Southern University, truckload carriers were able to supply equipment to customers only 90.8 percent of the time in 2004 in comparison to a 95.3 rate in 2003.

This is a compelling confirmation of Challenger's recent recommendations to its customers. "Help us to help you: Register for FAST, be prepared for electronic clearances, palletize your freight – make it a priority to get our drivers off the dock as quickly as possible."

As it has always done, Challenger saw this problem in its early stages and took action to ensure their customers' capacity requirements were not affected.

The task was clear:

1. Attract the type of high calibre drivers for which Challenger is known, and
2. Keep them

Introducing Challenger's Recruiting Coaches

If you travel the 401 core between Toronto and Windsor or the Montréal and Ottawa areas, you can expect to find two brightly coloured recruiting coaches, bearing the Challenger logo, at truck stops and community functions along the way. "Our intent is to create excitement among drivers," says Enno Jakobson, Vice President of Risk Management. "The coaches bring Challenger to the drivers in a way that no one else is doing. With them, we can invite drivers for coffee, do on-road interviews, describe our pay packages, and illustrate the opportunities we offer."

Furnished with the latest audio-visual equipment, PA system, comfortable seating, and refreshment areas – the coaches not only fill a recruiting purpose but will be available at customer functions and community events. "We expect them to be a big draw," says Enno. "They are a lot more powerful than sending out ads and waiting for someone to show up; with the coaches we can explain the job face-to-face."

Enhancing Challenger's Driver Retention Commitment

Drivers need to know that Challenger lives up to its promise to them as well as to our customers. "We are dedicated to handling all our customers' shipping requirements," says Enno. "Retaining our professional drivers is part of this capacity issue." This is why future plans for the coaches include on-road training for outlying drivers. A mini-classroom set-up complete with a small driving simulator is already in the works.

The new Cambridge terminal has also been equipped with a full-scale truck cab simulator that can replicate any driving condition in any weather over any terrain. Challenger wants drivers and customers to know that they provide the best training to ensure safe arrival at the destination.

This commitment has earned the loyalty of many long-term drivers for Challenger. "We recognize people who stay," says Enno, "and they know we are dedicated to their safety and well-being." This leads to improved retention, and ultimately more drivers to move the customers' freight.

For information on how your company can book a Challenger Recruitment Coach, please contact Lynn Couch at 1-800-268-2096 ext. 2251.

"The coaches bring Challenger to the drivers in a way that no one else is doing."

*Enno Jakobson
Vice President, Risk Management,
Challenger Motor Freight*



Letter From Dan



Change is once again in the future for Canadian carriers. This time, we as an industry can commit to a role in shaping its outcome.

The background is this: Since deregulation, responsible carriers have watched as the flawed recruiting practices of some companies forfeit safety over their desire to grow. Though the trucking industry in North America has traditionally been a firm believer in self-regulation – too often these shoddy performers have not been caught, and their practices continue.

There is a mind-shift occurring: accept regulation, but regulate the right things. At the federal level the Canadian Transportation Association has recently endorsed the introduction of black boxes to monitor activity in trucks.

I don't see this happening for five to ten years, but with strict guidelines in place – the industry is in favour. Responsible companies already hold to these higher performance standards. We expect fairness. If we do it – then we all do it – on the same day.

We are so committed to this that we have organized a study mission to Europe in the late spring to look at the system they have in place. This will involve senior transportation executives and association representatives from North America to learn from the Europeans' experiences. It will be an intensive, multi-country endeavour, with a focus not to replicate – but to learn from their ideas and to start crafting how the future should look here.

When the time comes, and the regulations and systems are in place, we can expect to lose a number of drivers. But from this purge the way will be clear for driving to be viewed and treated as a higher profession, and we will be able to attract drivers in a better way.

Thank you for your continued support,

Dan Einwechter

Keeping Our Drivers — Is Everyone's Gain

For his 25 years of distinguished service as an Owner-Operator with the company, Challenger recently surprised Don Gole with a new Dura-Plate van trailer by Wabash. Outfitted with Peterbilt aluminum rims, LED side-marker lights, and a custom Galaxie Blue paint job to match his tractor, the trailer also bears a silver logo on the sides that thanks him for his 25 years of service.

Recognizing the contribution that veteran drivers like Don make to the industry is vital. Long-term drivers know their customers personally and can often problem-solve because they understand the product.

A professional driver is also a safer driver, and safe drivers get the product to market undamaged.

Each year Challenger hosts a safety banquet in Toronto and Montréal to recognize the drivers who have reached career safety milestones. With Don's approximate three million accident-free miles of driving – he continues to be a welcome attendee at these awards.

Challenger's commitment to its customers is to bring their freight to market safely, and on time. Their commitment to recognizing the experience and loyalty of their drivers is one of the ways they do this.

Owner-Operator Don Gole with
Challenger President Dan Einwechter

Don Gole
25 years
...of going the Di
19



OTA 2004 Trailmobile Service to Industry Award

Dan Einwechter receives top honour

Each year the Ontario Trucking Association (OTA) presents their Trailmobile Service to Industry Award to an individual who has made an outstanding contribution to the truck transportation industry through vision, leadership, and unstinting service.

This year's OTA Trailmobile Award winner – Challenger Motor Freight President, Dan Einwechter – was taken completely by surprise. "I was absolutely shocked when I got it," said Dan who plays an active role with the OTA and who realized that this was the one time he didn't know who the winner would be. "It was an honour, especially because there are so many great people who have given a lot of time and effort to the industry in trying to improve not only their own individual companies but the reputation, the profile, and the safety of the industry."

Dan has served as past chairman of both the Ontario Trucking Association and the Canadian Trucking Alliance (CTA). Both he and his company have been recognized for their commitment to excellence by being listed as one of Canada's 50 Best Managed Companies for four years in a row, as well as having won Shippers Choice awards, CITA Carrier of the Year, and the Purolator Carrier of the Year.

Over the past 30 years, Dan has been a tireless advocate of safety and to the future of the trucking industry. "Winning an award such as the Trailmobile Service to Industry helps you



Dan Einwechter with his wife Caroline and the OTA Trailmobile Service to Industry Award – a charcoal portrait of Dan.

focus on the highs of your career and allows you to briefly forget the deep dark moments," says Dan. "This award makes it all worthwhile."

Challenger Employees Host Toyota School Students

John Oss and Danette Farrell's families recently hosted students from Toyota's prestigious school in Aichi, Japan, during its one-week inter-cultural training excursion to the Toyota Cambridge facility.

"Culture is of great importance in Japan," said John Oss, who hosted 17-year-old Kazunari (Kazu) during his stay. "Toyota believes that since they are a world-wide company, it is their responsibility to give their employees this sort of world-wide cultural exposure and experience for the future." Beginning at the school level, work-travel is integrated with learning the technological skills that each student will need as a Toyota employee.

Kazu, and Yatori who stayed with the Farrells, are two of the 85 students from this trip who experienced a typical Canadian-style work and family day. Each morning they would go off to work at Toyota and come home to their "family" in the evening. From a trip to St. Jacob's Farmers' Market (known regionally



Left: Kazu, John Andrew Oss and Yota
Above: Tyler Farrell and Yatori

for its dozens of vendors of fresh baked pastries, produce, and crafts) and their first taste of Ontario Maple Syrup – to a casual evening of bowling alongside the local high school students, the Japanese students took every opportunity to absorb the sights and customs their hosts offered them.

Once back home – Kazu e-mailed the Oss family describing how quickly the week had flown and thanked them for their hospitality.

As for the Challenger shirt and Team Canada Hockey jersey they gave him? They are "my treasures" – "my memories" Kazu said in his note, and he hopes to visit Canada again one day.

As Challenger continues to build its valued relationship with Toyota – it isn't difficult to envision a time when a Challenger employee sees one of these students take a place in Toyota Canada.

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