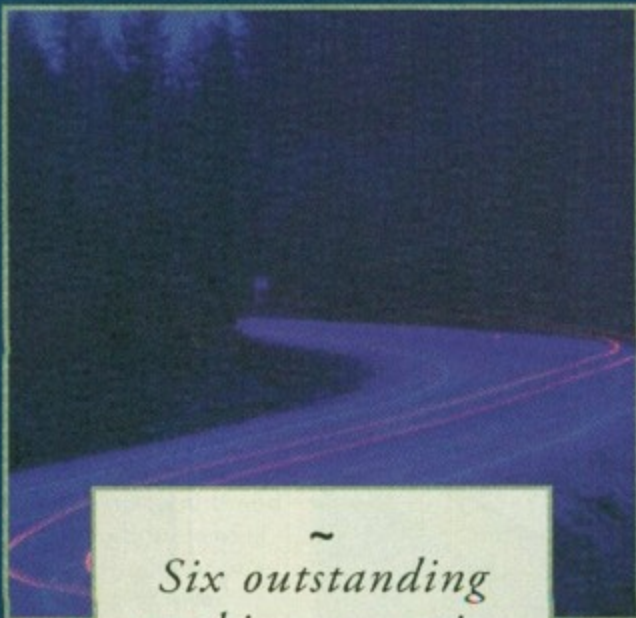


HONORING TRUCKING'S ELITE LEADERS



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*Six outstanding
trucking executives
are recognized with
Heavy Duty
Trucking's annual
Truck Fleet
Innovators awards.*
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The following pages profile some extraordinary trucking industry leaders, the winners of *Heavy Duty Trucking's* annual Truck Fleet Innovator awards. These fleet executives were chosen for their continuing dedication to growing their companies through innovative operations and technologies to make their fleets more safe, efficient and profitable.

The 2008 Truck Fleet Innovators are:

- Don Osterberg, Vice President of Safety and Driver Training, Schneider National
- Dave Berry, Vice President, Swift Transportation
- Ray Greer, President and CEO, Greatwide Logistics Services
- David Congdon, President & CEO, Old Dominion Freight Line
- Lance Craig, President and CEO, Craig Transportation
- Mike Abbott, President, SAV Transportation Group

These trucking innovators will be honored on March 26 at Heavy Duty Trucking's Economic Summit, held in conjunction with the Mid-America Trucking Show in Louisville, Ky.

Hats off to them all.

*Interviews and profiles by
Deborah Lockridge, Senior Editor*

Many companies tout themselves as “people” organizations, but seldom in this industry do they delve as deeply into the potentials of their people as Lance Craig, president and CEO of Ohio-based Craig Transportation. His company’s success is built around the principle that it’s the people who move the freight, not the trucks.

“We work really hard at trying to invest in our people,” Craig says. The people focus is evident in the company’s low turnover – about 35 percent. Several years ago, Craig put one of his top salespeople, Eric Stegman, in charge of recruiting and retention for the company’s drivers, who are primarily owner-operators.

“You really need your best people talking to your drivers,” Craig says.

“It’s just as important as talking to your customers.”

Stegman uses the same method with drivers he did with customers, one that focuses on building rapport, and on being upfront about each other’s expectations.

“The key to recruiting and retention is treating drivers like you want to be treated,” Stegman says. “One of the best quotes I heard from a current Craig driver was, ‘You and everyone at this company have been so friendly, there has to be something hidden!’ Three years later he still stops in weekly to visit.”

Stegman emphasizes that everyone in the company, from the top down, is vital to keeping drivers. “Lance supports driver retention 100 percent, and he’s made it well known to the rest of the company – not just in recruiting, but from accounting to operations, anywhere in the office – they know that we need to take care of driver retention. If we mess up a guy’s settlement several times, he’s going to leave because we screw that up.”

Drivers, of course, are not the only people that make the freight move. One of Craig’s more recent efforts is training employees to get to the root cause of problems or inefficiencies and empowering them to make improvements.

“We’ve got a real stable workforce here – I’ve got folks that have been here up to 30 years,” he says. “One of the challenges you run into is you want to avoid people working on autopilot and just doing things the same way. Once you give them tools, simple things like ‘The Five Whys’, you can teach people to go about trying to prob-



Focusing On People Power

*Lance Craig, President and CEO,
Craig Transportation*

lem-solve something.”

“The Five Whys” was invented by the founder of Toyota and is part of Six Sigma and other quality improvement programs. By asking “why” there is a problem, then asking “why” again of the answer to the first why, and so on, you can peel away the layers of the symptoms and get to the “root cause” of a problem. A simple example:

My car will not start (the problem).

Why won’t the car start? The battery is dead.

Why is the battery dead? The alternator is not functioning.

Why is the alternator not functioning? The alternator belt is broken.

Why did the belt break?

The alternator belt was well beyond its useful service life and has never been replaced.

Why hasn’t it ever been replaced? I have not been maintaining my car according to the recommended service schedule

(the root cause).

“It’s something we’ve pretty much trained our whole staff here to go through that process and expose areas where we think we can improve,” Craig says.

It’s vital to have a thorough understanding of current conditions and causes before you can improve them, Craig says. Otherwise, “you tend to rush to ‘fixes’ before you thoroughly understand the problem.”

Craig Transportation has been using this method to find ways to keep new drivers longer. “We sat down with the folks who deal with drivers directly and asked questions about why drivers leave. One of the things that came out of that was having drivers come back in for retraining. You go through a two-day orientation process, and drivers can’t absorb enough.” So the drivers are brought in for more training after their first 30 days. “You could say that’s very costly to take them off the road, but when you really examine the cost of losing drivers, that’s a spit in the bucket.”

Craig has decreed that no improvement initiative is too small. “One of the things that we did when we first started this was where to put the coffee pot in the kitchen to reduce the coffee grounds falling on the floor and [discarded] sugar packets – we’d find a mess all over the place.” The root cause? The coffee pot was on the other side of the kitchen from the trash can. “Very simple stuff, but in the end, it’s not just that we solved the problem, but that we had folks go through the process of identifying the problem and coming up with a method to be able

to fix it. And it led them to be able to launch into other things that might be a bit more involved.”

Craig says he often holds back a comment or a possible fix he's thought of and allows the employees to go through the process and use those mental tools to select an issue, thoroughly study the problem and develop a plan to improve it.

“Our investment is not so much in fancy technology and different software; we've really, really focused on trying to find ways to invest in our own people, to help them make better decisions. It's been received well, and in a sense takes some of the pressure off the managers and lets people realize they can make changes and suggest improvements.”

Some of those changes have meant getting customers on board to improve efficiencies.

“In today's environment, trucking is really expected to do more with less,” Craig explains. “In contrast to reducing rates, the opportunity that really exists from a long-range standpoint is reducing costs through improving processes in how you serve your customers. The difficulty comes when all the fixes have to be done on your end. In reality, to truly get the most waste out of the system, you have to work with your suppliers and your customers.”

The company has had success working with shippers to improve hours of service utilization in a couple of lanes, reducing the number of trucks ordered but not used, and reducing dwell time.

In one instance, Craig had to improve service in a particular lane or risk losing it. They worked with the customer to improve the staging time of the load, and to tweak the appointments on the delivery end. In-house, when they went through the root cause analysis process, they discovered what they needed was a better monitoring system for that customer. They went about solving the problem in a low-tech way – a “process control board” that was nothing but a white board with color coded magnets.

“We were able to use a visual solution,” Craig says, “and it also involves our staff, who literally had to – at two-hour increments – get out of their chairs and go up to this board and update where these trucks were. Everybody was able to visually go up there and see the status of this particular run. If loads started coming out slow, there was a defined SOP.”

While Craig certainly doesn't eschew higher-tech solutions, in this particular instance, he said, a low-tech approach was better. “There are certainly great dispatch



Success of Craig's focus on people is evident in the company's low driver turnover – 35 percent.

Three generations of Craigs: Lance's son John (left) father Dale (center) and Lance (right).

systems out there that give you a lot of visibility, but we found the interactiveness really made a difference. Going back to that low-tech thinking puts the person back into the process in a physical way. We were able to turn around our service levels [in that lane] to where now we're nearly flawless.”

Craig's emphasis on people goes outside of the company, as well, especially when it comes to involvement in associations. Lance Craig was chairman of the Truckload Carriers Association in 2004, like his father, Dale, before him. He's also heavily involved in the American Trucking Associations, including serving on the Safety Policy Committee, and he's currently vice chairman of the Highway Policy Committee.

“It's just one of those things I kind of grew up doing,” he says. His grandfather, Norwood S. Craig, started Craig Trucking in 1927 and was a member of ATA “back in the early '40s, if not the '30s,” Lance says. The Craig family has been in TCA longer than any other. When Lance's father bought Hofer Transportation (later renamed Craig Transportation) in the early '60s, he followed in N.S.'s footsteps in more ways than one.

“My father always believed in association work; he obviously took that from his father,” Lance says, serving as TCA chairman in the '70s and two terms as ATA chairman in the '80s.

“You can really feel alone in this tough business unless you have friends to work with, and I think that's one of the most important things you gain from association work is the camaraderie.”

Following his example is Lance's son John, who joined the company in 2003. John is chair of TCA's Committee on Operating Practices and helped put together and is chairing the new Young Transportation Executives group at TCA.

With help from the right people both inside and outside the company, Craig Transportation's longtime slogan is no stretch: “It Can Be Done.”