

The background of the entire page is a photograph of several yellow oil pumpjacks in an industrial setting. The scene is captured during sunset or sunrise, with a sky transitioning from a deep blue at the top to a soft orange and pink near the horizon. The pumpjacks are silhouetted against the sky, with their long, curved arms and counterweights clearly visible. The overall mood is industrial and serene.

STRAIGHT TALK SMART STRATEGIES

VOLUME 1

A guide to growth
and profitability for
construction fleets
and fleets serving
the Oil Patch.

Brought to you by Transportation Media
In partnership with Michelin North America
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Straight Talk; Smart Strategies

There are likely no industries more challenging for the truck fleets serving them than construction and oil and gas. The harsh environments they face test their equipment, drivers and business strategies each and every day. Only the strong survive long term under such circumstances and there is much to learn from them.

Welcome to our first Straight Talk, Smart Strategies supplement examining the challenges and opportunities faced by fleets operating in Canada's construction and oil and gas sectors. This supplement is the first of two in-depth reports on these critical sectors. Both are brought to you in partnership with Michelin North America (Canada) Inc. In the following pages you will learn about the growth outlook for these sectors, new ways of attracting drivers, smart spec'ing decisions and what leading fleets do to ensure safety is a critical component of their business strategy. We will also share our exclusive research on Western Canada fleet perceptions about freight volumes and rates in 2014.

And there is much more to learn. The second installment of our Straight Talk, Smart Strategies supplement on the construction and oil and gas industries examines the maintenance challenges faced by the hardy fleets in these sectors and the strategies they've adapted to stay ahead. Turn also to the Straight Talk, Smart Strategies knowledge centre on www.trucknews.com for frequent news, features and informative videos on these sectors.

We hope our multi-media effort creates an enriched educational vehicle that helps you learn and thrive in the years ahead.

Lou Smyrlis
Publisher & Editorial Director
Transportation Media



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Despite challenges those involved with construction and oil and gas fleets like the future of those industries

MEASURED OPTIMISM

BY CAROLYN GRUSKE

Temporary foreign workers, pipeline development, and Quebec's Charbonneau Commission are all topics that have led national news-casts and have formed the basis for countless headlines in newspapers and magazines. But they are also topics of key importance to fleet managers operating in the oil and gas and construction industries in Canada.

Of course, they aren't the only issues of concern. While they may operate in harsher or more difficult environments than long-haul or pick-up and delivery fleets, those who are responsible for oil and gas or construction trucks also need to pay attention to the same issues as the rest of the trucking industry.

Oil and gas outlook

The general perception is that the oil and gas industry is booming. While that's generally true, the picture isn't completely rosy. Yet-to-be-finalized decisions surrounding pipeline construction make it difficult to plan for the future, and moving to more of an oil-by-rail transportation network means adapting the entire supply chain to accommodate the new flow of petroleum products. With the US producing more of its own natural gas, that means there is less demand for Canadian exports.

"Until there is a clear vision of the transportation model, I think there is some uncertainty in the oil industry about how much investment should be made in exploration," said Ed Malysa, president and CEO of Calgary-based Trimac Transportation. "That has created a little bit of a slowing down of the investment in the oil patch."

Malysa mentioned residents of

Kitimat, B.C. rejecting the Northern Gateway project in a non-binding plebiscite and opposition from First Nations groups against pipeline construction, along with the capacity crunch in the existing pipelines, as other factors that are contributing to industry uncertainty, but added, "despite the impediments and obstacles out there, it is still viewed by most trucking companies as a very strong industry and it will continue to have a 2-3% growth on average for each year."

Growth projections aside, Trimac will still be taking a cautious approach to managing this area of its business.

"We will probably not invest significant dollars unless it's a specific strategy we have for longer-term contracts or unless we have some sort of guarantee there is volume associated with it. That's how we're basing our capital decisions. We're not going on spec, hoping business will come to us if we buy the equipment," said Malysa. "Over the last couple of years there have been a lot of trailers and capacity that were brought into the market on spec, and I think at this stage, it is probably slightly over-sold. So we're cautious – cautiously optimistic."

One company that is hoping that at least some fleets will be buying trailers and equipment is Volvo Trucks. The manufacturer feels good enough about the oil and gas industry that has it re-entered the market over the last couple of years after abandoning it about 15 years ago.

"The reason we are doing that is because we understand the size and the opportunity in the oil and gas business, particularly relative to Saskatchewan, Alberta and British

Columbia," said Brent Weary, Volvo's vice-president of sales and marketing for Canada. "We are very optimistic. Our industry has changed a lot over the last five years, and it has had a huge impact on the North American oil and gas industry. Caterpillar was heavily relied on by that industry on the truck side, and Caterpillar's exit from the truck industry has left a huge opportunity for us."

Another company that is feeling positive enough about the future of the industry to expand its reach into it is RTL-Westcan Group. Based in Edmonton, and owned by Kenan Advantage Group in North Canton, Ohio, Westcan has been on a minor buying spree in the oil and gas sector purchasing Wrangler Tank Services in November 2013 and Silverman Oilfield Services in April 2014.

"We really weren't a big player in ground-level oil and gas, at the pump-jack level coming from a well site until the last couple of years," said Westcan CEO Grant Mitchell. "Our view of it is we see that industry continuing to grow. All our customers in that space are telling us the same thing. They've got aggressive growth plans over the next three-to-five years."

Mitchell also addressed the issue of pipelines, capacity and oil by rail and spoke about their effects.

"Any given time throughout a 12-month cycle, we see times when there is a little bit extra capacity, but more often than not we are seeing there is not enough capacity in the market," he said.

Future pipeline construction plans are getting a lot of attention at Westcan.

"That's something we are trying

to understand better. They will change some of the local hauls in terms of delivery points, but we don't see it having a major impact on our business, because of the growth we are seeing in the market."

One problem area that is starting to affect trucking operations is terminal access and wait-times.

"It depends on the terminal, but we are definitely seeing longer line-ups to off-load product. Others seem to manage it very well. In general we have definitely seen unload times increase on average."



Beyond increased waiting times, Malysa said some terminals, in particular those operated by Gibson Energy Inc. and Plains Midstream Canada, have restricted access. In addition to running terminals, both Gibson and Plains have their own trucking operations.

"These sites are essentially becoming closed sites to common carriers in the market. Because of that, delivery points available to you as a common carrier without that additional value-added terminal endpoint, are becoming fewer and farther between," he said.

Construction outlook

Although it is relatively easy to speak about the state of the oil and gas industry in general, because (outside of Newfoundland) its main activities occur in the Western provinces, the construction industry is highly localized and more dependent on what is happening within smaller, regional economies.

With Westcan, for example, Mitchell had to address the industry by regional operation.

"Alberta's budget has been down for the last year-and-a-half or two years, but it's a cycle. It will come back. Roads have to be built, roads have to be maintained. It's a typical cycle at this point.

"We own a construction company based in Yellowknife that focuses on water and sewer infrastructure and road repairs and road building. It's a steady business. It's very focused."

With operations that reach a little further across the country, Malysa sees just how much the industry varies.

"From the construction side of things, I do feel there are changes happening in the marketplace in Ontario and Quebec. There has been a pent-up demand for the last two or three years, when the economy just hasn't been percolating as much. I expect to see some increased activity in those provinces in 2014 and 2015. It will still be a strong construction year in Western Canada. Housing construction starts have continued to be very strong, so we don't expect that to be a problem as far as volumes go – we'll likely see a 3-5% growth rate."

Not only did Quebec fleet operators feel the effects of an economy-driven construction slow-down, they were also subjected to a political situation that began with the Charbonneau Commission inquiry into corruption and continued with actions by the provincial government that put a stop on a lot of construction activities. But, according to Malysa, that turned out to be beneficial to companies like Trimac.

CONTINUED ON PAGE 8

HELP WANTED

Construction and oil and gas fleets experiment with new programs to attract drivers

As with any other fleet operating in Canada, fleet managers in the construction and oil and gas industries can't find enough drivers to fill the seats or mechanics to staff the benches. That has led to businesses creating programs to attract new drivers and looking outside Canadian borders for workers.

Starting closer to home, Westcan's CEO Grant Mitchell said the type of young worker the company used to recruit has vanished.

"In a fleet our size, we're used to the guys who grew up on a farm or who grew up around trucks or who grew up in a shop and just had that great practical experience, whereas a younger person today may not have gained that experience yet."

He added the industry is doing a lot to try to recruit younger, inexperienced workers by getting involved in communities and schools, going to tradeshow and putting out traditional advertisements, but "that's still one of the shortfalls in the industry. I think for the most part we still do all the same things to attract people and we may need to find a different way."

Recruiting women has also proven a problem for the industry, and Ed Malysa, president and CEO of Calgary-based Trimac Transportation, said this is another area that needs to be re-examined. If there are changes made that will make the industry appealing to women, maybe they can make the industry more appealing overall. He said the industry needs to look at shortening up distances travelled so drivers can get home more frequently, getting extended hours and loading and unloading fa-

cilities, and better training drivers in the product handling aspects of the job, which takes up about 50% of a driver's time.

Both Trimac and Westcan use temporary foreign workers, and both company representatives said a lot of time and effort is put into training and support. At Westcan that includes teaching them about Canada's harsh climatic and environmental conditions by using one of two driving simulators the company owns. It also means creating a foreign worker support program that helps them settle into their new communities and familiarizes them with local services, schools, recreational facilities and other resources in their new home towns.

While both companies would prefer to hire local talent, or even people from other parts of the country, Malysa said transportation companies have to compete with their own customers for workers.

"The large oil companies have their own planes. They fly drivers in and out of Edmonton, Calgary, Saskatoon and Newfoundland. They have a significant advantage over other companies trying to compete for the same workforce in Western Canada.

"We have also seen wage pressures in Newfoundland recently, where companies, including some of our competitors, have raised their rates to attract workers back who are flying in and out of Fort McMurray. We are seeing a little bit of wage creep happening across the country."

Even the truck manufacturers, such as Mack Trucks are seeing the effects of an older, aging workforce, said Greensboro, North Carolina-based vo-



cal product manager Stu Russoli.

"Drivers are getting older in general in the trucking industry. I think the salesmen are getting older too. I was a little bit concerned about that, but when we went up to Toronto I saw a lot of new guys coming in. Now it's a big challenge for the older salesmen to mentor the younger ones. We are actually doing some training this summer to bring everybody up to speed on that."

Technology is often cited by all players in the industry as a way of making it easier for those who aren't veterans to become drivers. In particular automatic and automated transmissions are presented as solutions that should make the job easier.

"Let's be honest, the computer controls are pretty sophisticated. They can choose gears just as well as any person, if not better. What it allows these companies to do is put drivers in there that may not have 10 or 15 years of experience. Sure there are those drivers who want manual transmissions, and we offer them, but from our perspective, if you can get an 18-speed automated transmission that will work in that environment, you don't have to have that experienced driver driving the vehicle," said J. P. Davis, vocational segment manager for Freightliner, adding reducing the need to manually shift helps reduce driver fatigue and stress. ■



“From our perspective, we thought that was good in the sense there was a lot of ‘old-boys’ associations happening with graft under the table that made it very difficult to try to operate above the table in that business. We felt that it would provide incentives for us to take some market share from those guys who clearly aren’t doing above-the-table deals. With the Liberal government being elected, we are optimistic that some of the work will come back, the excitement for construction will come back. With the uncertainty of the PQ government and a referendum behind us, it’s going to create a little more positive optimism in the economy that should help most businesses that operate in Quebec. Will it happen this summer? Maybe that’s too soon, but we see encouraging signs already as we move forward to the beginning of 2015.”

Ric Bedard, president of Cetaris, a Toronto-based company that offers fleet management solutions, said construction fleets are under a lot of pressure due to a combination of factors, including the economic downturn, which caused many fleets to park their equipment, leading to assets aging and not being replaced as quickly as they would normally have been. But an older fleet is only part of the problem.

“The biggest challenge from my perspective and that of the customers I am working with, is it’s a very competitive world. They’re not the only game in town. There is lots of consolidation going on, and with that consolidation you are getting these big global players coming in and putting the

pressure on. They’re coming in with advanced tools and advanced technologies and advanced capabilities, so are the local and regional companies going to be able to compete? If you happen to be in places like Alberta, where it’s booming, it’s probably not as challenging, but if you’re in Ontario, you’re on the wrong side of the economic outlook,” he said.

In addition to fleet age, he said construction companies that are trying to make-do with the equipment on hand may be putting themselves at a disadvantage.

“It used to be you’d buy a spec, and then you’d make it work. The customers we are working with today are spending a lot more time looking at which spec is optimized for their particular jobs. They’re asking themselves, ‘how do we make sure when we replace or spec or repair that we buy the right specification to do the job better, faster and cheaper?’ What I say is that if you’re going to be competitive, if you are going to be the best today, you have to have the right asset doing the job. It doesn’t necessarily mean the asset that is sitting and available tomorrow is the perfect asset for you.”

The trucks

Harsh recent winters have left their toll on the trucks used in oil and gas and construction fleets. Both Trimac and Westcan reported a high number of problems.

“We haven’t had a lot of luck with the new 2010 technology that is out there. It really is directly related to the cold winter conditions we’ve had. We’ve had a lot of problems with DEF fluid and pumps and ECM monitors on the regens shutting our tractors down,” said Malysa. “We’ve had campaigns from our tractor manufacturers that don’t appear to have completely solved the problems, but we’re hopeful this is behind us, and that the last of the changes that are contemplated here this summer are effective for the winter.”

While there have been a lot of changes for the power units, the specialized, industry-specific equipment found on the oil and gas and construction trucks has only undergone incremental improvements, said Mitchell.

“The equipment has gotten much more sophisticated, especially from a measuring and safety perspective, but I haven’t seen anything I would call a dramatic change. We’d love to find that change. We like developing new business styles of equipment or new combinations of equipment to increase efficiencies and say, ‘here’s the next great thing.’ We’ve done that in the past with combination trailers, but we haven’t seen any dramatic changes in many years.” ■

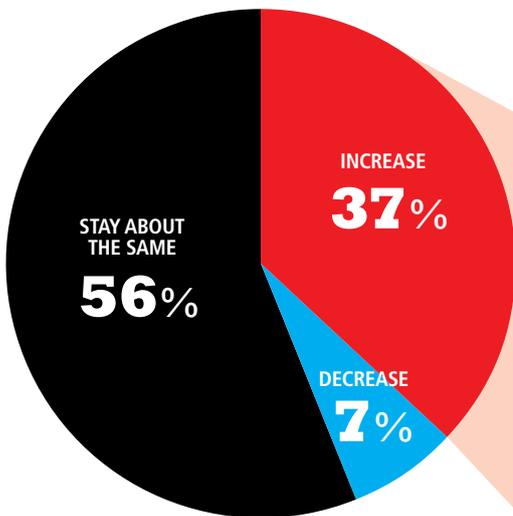
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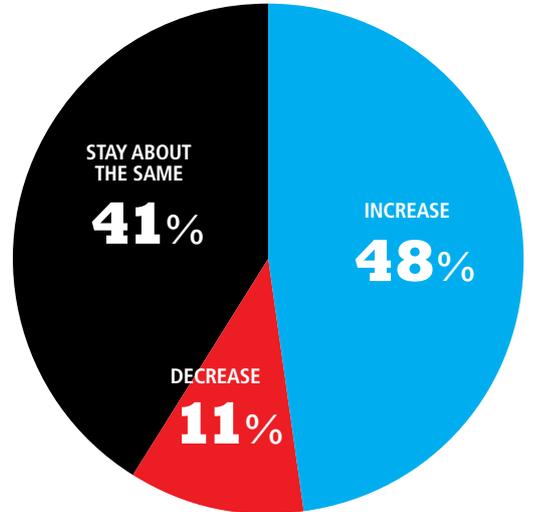
What Western Canada carriers think about freight volumes and rates in 2014

All charts are a percentage of respondents.

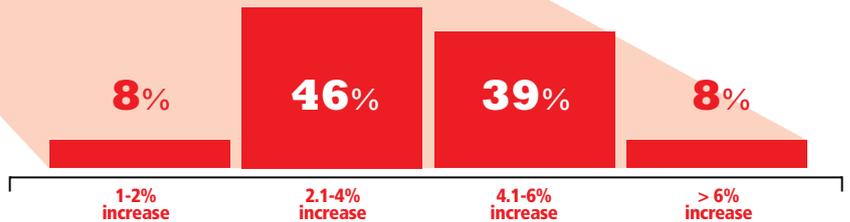
Carrier expectations for direction of core rate pricing in 2014



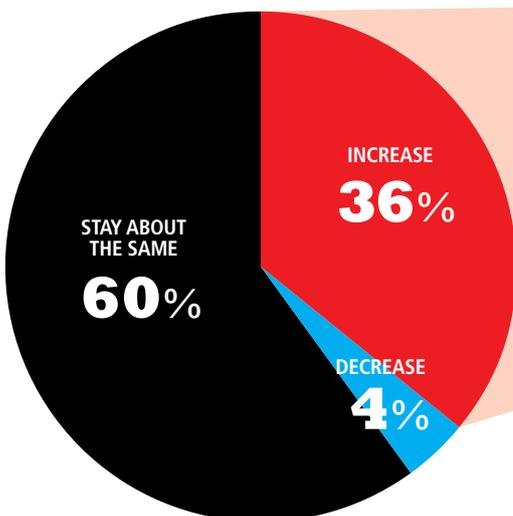
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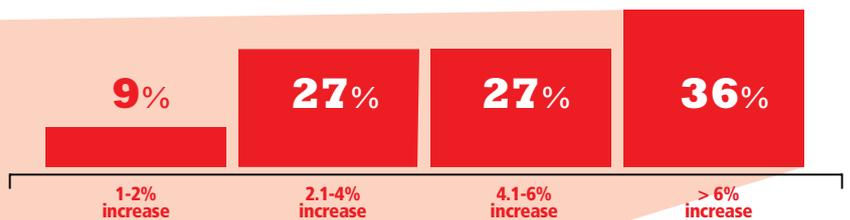
Carrier core rate pricing increase projections for 2014



Carrier expectations for direction of fuel surcharges in 2014



Carrier fuel surcharge pricing increase projections for 2014



HEAVY-DUTY DECISIONS

BY HARRY RUDOLFS

Vocational trucks destined for the challenging worlds of construction and oil field work require the right set of robust spec's. So what are they?

Construction companies, typically, have to fill a variety of transportation needs. Even a small to medium-sized outfit usually contains a fleet of tandem and/or tri-axle dump trucks, a few tractors to pull around floats and equipment, and possibly some specialized equipment like water tankers or fuel trucks. Some of the dumps might see year round service and get converted to sanders or snowplows during the winter months.

Durability and economy are major considerations when it comes to spec'ing new equipment. The units must be heavy-duty workhorses with the ability to withstand extreme conditions, stay out of the shop, and provide a good return on investment during the dozen or so years that they will be the mainstays of the fleet.

G. Tackaberry and Sons Construction Co. Ltd., of Athens, Ont., is among the most successful road builders in eastern Ontario, drawing gravel out of 50 self-owned pits and quarries as well as running an asphalt business. Like most large construction companies, their operations include well-appointed shops that can fabricate anything they need (many of George's machinists and mechanics are kept busy working on restoration projects for the family truck museum whose collection of vintage International trucks is second to none in the world).

So I was surprised to hear that the Tackaberrys get their vocational trucks "off the rack," so to speak, from a local International Truck dealer in Kemptville,

Ont., with little or no customization.

One of the sons, Charlie Tackaberry, explains. "We're a 100% International fleet and we can buy what we want pretty much off the shelf from the dealer." For their dump units, the Tackaberrys go with the aluminum-cab Paystar model powered by a 500 horsepower Cummins ISX engine. Transmissions are usually 18-speed manual Eatons or Fullers – the family is old school and not interested in automatic transmissions at this time. But other construction companies are getting good results with the six-speed Allison.

Tackaberry spec's rear gear ratios at 3.90 for tractors and a little bit slower, 4.33 for their dump trucks. With the amount of quarry work the trucks do, the axles are spec'ed on the heavy side, with the steering axle pegged at 20,000 lbs and the rears at 46,000. As far as suspensions go, Charlie Tackaberry prefers the Hendrickson HN rubber block suspension to air ride. "We feel it's more manoeuvrable in the pits and maintenance-free," he says. "Of course our SPIF-compliant lift axle tri-axle dumps are all air."

So much depends on the application. Although the Tackaberrys' gravel-ready vocational trucks don't require much customization, most buyers need to work closely with the body builder and the dealer to obtain the equipment they require. For instance, a company using dump trucks year around might only need a 350 horse power engine, but the front ends have to be heavy – 22,000 lbs



– because of the extra weight of the plow harness and plow blade sitting ahead of the front axle. It's also important to have enough room behind the cab to mount a hydraulic reservoir and controls.

For lighter applications, such as a water or vac truck, Pat Kinnear of Tallman Truck Centre in Kemptville, Ont., suggests that the International Workstar might be a better option. Instead of the 12 inch double frame of a Paystar, the Workstar has a 10 inch double frame, and a slightly smaller cab and sits lower to the ground, making it easier for the driver who has to get in and out of the truck frequently.

"It depends on what the customer is looking for," says Kinnear. "Someone running a truck around Ottawa might be more interested in performance than mileage, but fuel economy is becoming a bigger part of the equation so guys are looking to run with slower rear ends to bring the RPMs down a bit."

Another consideration is where the equipment is going to be operating. Ontario allows for some of the heaviest weight limits – a typical spec' for a float tractor might be 18,000 front end 46,000 rears, matched with 52,000 lbs Neway air ride rear suspension that can handle any 50 ton machine. But this configuration might be problematic if you're working inter-provincially.



I recently spoke to an operations manager of an Ontario company who may be getting some work in Manitoba. He didn't want his name used because the project is still pending. "Everything in Ontario is run heavy but if you're working elsewhere you might have to invest in some lighter equipment, like lighter float trailers," he suggests. "My Peterbilt floats have 16,000 front ends, but out there they run 12-14,600 front ends. I think the ideal wheelbase for a float tractor might be 244 inches for the western provinces" he says.

Into the Oil Patch

Extreme heat and cold, and rugged terrains, are the norm in Canada's oil patch. Temperatures, alone, can vary 140 degrees F, from 100 degrees above zero to 40 below within a few months. Since much of the work is off road, the majority of the vocational equipment is spec'd with similar heavy duty options: higher horsepower (up to 650 hp), heavy axles, all-way lock-up on the drives, extra insulation around the EGR components, and Arctic packages (300 watt oil pan heater, 1500 watt coolant heater, 160 amp alternator, 2800 CCA batteries & cab insulation).

In general wheel bases run a little longer in "the patch" and there's a lot more specialized equipment.

"You can go to a trade show in Lloydminster, for instance, and not be sure of what some of the equipment does," says Ron Duda, sales manager for Readhead Equipment, a Mack dealer in Regina, Sask. "Guys are getting all kinds of ideas and some of these units are multi-functional. You might have one truck now where you used to have three." For example, a vacuum truck might be combined with a flush system and both tanks might be enclosed in a van body so the operators can stay warm in the winter.

So it follows that each specialized vocation requires careful and individualized spec'ing. "What we need to know is the distance from the back of the cab to the centre of the drive axles," says Duda. "That's the crucial number given to us by the body builder or in some cases the customer himself. We also need to know the weight that's being hauled and what the off-road application is going to be. With that information we can supply the right configuration and spec's for that truck."

Almost everything in the oil patch rides on heavy-duty air suspensions (rubber block is a rarity), usually 46-52,000 lbs rear axle ratings matched with either Hendrickson, Neway or Radan Air Link systems. Duda suggests that the Mack Granite with a 13-litre, 505-horsepower engine is a good fit for most vocational applications, whether they be dump boxes, vac units, pickers (crane trucks) or bed trucks. Available with set-forward or set-back front axles, and single, double or triple frame chassis. "Set back front axles are more common in the east, while in western Canada you tend to see more axle forward," says Duda.

Ernie Klassen, director of fleet maintenance for Mullen Oil Field Services, manages an almost all-Kenworth fleet that has its own unique challenges. "All our work is heavy and off-highway so we

look for a truck that will take a beating," says Klassen. "We spec' them with triple frames and 52,000 lb rear ends, and planetary rear ends for heavier stuff."

Klassen is referring to Mullen's bed trucks and pickers (crane trucks), which are spec'd ultra-heavy, often with two steering axles (sometimes three) and often three drive axles. The 165,000 GVW bed trucks, always equipped with a winch, are used for spotting rig equipment, and moving components off-road between float trailers and the rig site. The engines are rated between 525 to 560 horsepower, and Klassen prefers 18-speed manual transmissions, though Mullen does run some 4700 Allison automatics.

According to Klassen, one of his trucks can expect to be in service for 15 years, about 35,000 hours, and even longer for equipment domiciled at camps in the Arctic or Northwest Territories. "Those trucks are in the neighbourhood of 25 years old," he says. "We don't even put newer trucks up there, too much electronics on them."

No one in trucking has been immune to problems posed by contemporary EPA-compliant engines. And operators in the north are more affected by emission-system failures, so that extra insulation around sensitive emission-system components is standard fare in the oil sands. While the OEMs seem to be ironing out the glitches, Klassen, for his part, declines to use trucks with EGR/SCR systems in the far north. "The issues are huge when it gets cold," he says. "we keep rebuilding the old ones instead."

Like most heavy equipment operators in the patch, Mullen buys the full spectrum of warranties. But Klassen says he doesn't always get the chance to make claims. "Most of our repairs are done in-house. We can't have them sitting around waiting for a warranty when they're in demand, especially in the winter time." ■



PLAYING IT SAFE

BY JIM BRAY

In a game where operating hardships always keep you on your toes, a commitment to safety is the best way to win

Whether you're hauling groceries, gravel or servicing oil rigs, these are challenging times to be in business. Yet many companies thrive and, perhaps not surprisingly, it appears that at least part of their success comes from a commitment to safety.

Take Meridian Manufacturing, for example. Meridian builds storage solutions including “fuel tanks, tanks for invert drilling fluid and things of that nature,” according to Jeff Kenzie, Meridian’s director of Alberta Operations and IIRC. Meridian is a member of Alberta’s Partners in Compliance (PIC) program, and Kenzie said there was a logical reason for joining. “We’ve always had a focus on safety throughout our production facilities,” he said, “and we realize that our drivers are elements that operate safely, too, so (we did it) for the recognition and just to make sure that we’re doing our due diligence and keeping on track with our safety record.”

Kenzie said Meridian’s number one asset is its employees, and “we take care of them by providing a safe, clean working environment.” Meridian’s drivers also go through “the various safe work procedures in dealing with our equipment and then training in the art of standing and bringing down bins,” Kenzie said. The company also recognizes its drivers and other employees for maintaining a safe working environment. “We are very much focused on the element of team, so (the drivers are included in) things such as safety rewards and safety lunches,” he said.

Their products’ large size was one of the reasons they decided to handle their own transportation. “End users

don't want to be stuck with a lot of charges for crane costs and things of that nature," Kenzie said, "so we have a hydraulic lifting table on the back of our trailers which can self erect the units we produce." That puts extra responsibility onto Meridian's drivers, but Kenzie said the actual setup is fairly quick, taking on average only about 15 minutes to erect and position a silo.

Ferus, a Calgary-based supplier of cryogenic fluids and natural gas fuels does business similarly. It also has its own transportation arm and pursued PIC recognition. According to COO Chad Porter, "we really felt it's important to belong to those types of organizations because we're not perfect and what (PIC membership) does is help give us guidance and direction, and we want to be able to operate to the proper standards that people expect."

When Ferus started up around the turn of the century, they farmed out their trucking, but eventually found they needed to take care of it themselves. "We wanted to move molecules from the production facility directly to location, something our competitors were not doing at that time," Porter said. They also wanted to prevent the company from being held hostage. "We were trying to develop a...tri-drive tractor or tri-trailer to move as much product in a minimal amount of loads," he said, adding that because such units weren't common back then, they had to find someone to build them. "You couldn't go to the local dealership and buy one," Porter noted, "so we thought we'd be a little better off...having control over that asset as opposed to relying on a third-party company."

Most of Ferus' nearly 70-unit fleet is owned in-house, and runs as a separate division from the production side. "Our transportation department deals with all the transport and the drivers and the maintenance that goes with that," Porter said, "and then our logistics department is all our dispatching, that looks after the movement of product and equipment and personnel."

Porter said Ferus owes a lot of its success to its

people and its focus on safety. "Our HSE group and the staff, right from the president on down, is very committed to safety," he said. "It's not just a department, it's a culture. We do a ton of safety meetings and safety training, whether it's dangerous goods, WHMIS, collisions, rollover, there's courses out there for all that - and we encourage a lot of that." Ferus also tries to ensure its drivers are given the best tools to deal with situations they encounter.

One factor separating Ferus from its competitors is its singular focus on the energy market. "They (competitors) also supply the food and beverage and medical (sectors)," Porter said, and his advice to anyone interested in starting a business is to find a similar edge. "Try and find that niche where there's a gap," he said, "because there is opportunity. And don't be afraid to talk to the regulatory bodies. They were very helpful (to us)."

Grant Mitchell, president and CEO of the RTL-Westcan Group of Companies, joked that its success stems from "hard work," but added "to me, success is absolutely 100% people. We've got a tremendous team of almost 1,100 employees and...the company's done a very good job of aligning across our operations and supporting people well."

Westcan is celebrating 50 years since it first started hauling asphalt out of Moose Jaw, Sask. and though it operates out of Edmonton now, that original outlet is still there - along with many others across the west and north.



Mitchell sings from the same safety song book as the other businesses, saying “obviously what we haul and what we do, we’re out and about in the communities, we’re handling dangerous commodities and safety’s got to be the first thing we think about every day.” Westcan has bonus programs tied specifically to safety perspectives, offers plenty of training including defensive driving and product-specific training both in the classroom and in the cab. “We use training simulators, and then we kind of combine that with some online training...and monthly safety meetings across the company,” Mitchell said. Westcan also uses safety advisors who are “out in the field 80% of their time.”

Westcan is another PIC carrier because “it helps us continue to raise our game when it comes to safety and partnering with best in class carriers,” Mitchell said. “We’re able to share a lot of information from a safety perspective that makes us all better.”

The company doesn’t use its PIC plates as a marketing tool, however. “It’s more to make sure that we continue to get better at what we do,” Mitchell said.

Mitchell advises companies to focus on safety if they want to grow, saying “it’s the only way to be successful. First and foremost it’s absolutely the right thing to do... and we believe it saves us money, especially in our business.” Safety, he said, is an investment in controlling costs and assuring everyone has a safe workplace, noting that “our workplace is not just where we sit; it’s communities, it’s people around us. We have a responsibility.”

While many, if not most, companies pursue continuing growth, not every entrepreneur wants to take on the world. Jennifer Singer, for example, just wants a good life for herself and her people. The Calgary-based Singer wears two hats currently (three if you count “new mother”), as operations manager of construction sector Ron Singer Truck Lines and owner/operator (with partner Gino Howe) of Demon Water Hauling. Singer brings a lifetime of experience to her businesses but doesn’t want them to become so big they consume her life. “If you’re making enough money and you and your employees are living comfortably,” she said, “what more do you need?”

Singer does no advertising, but she’s big on other ways of promotion. In Demon’s case, she combined her background in local and highway trucking with Howe’s experience in the construction industry to showcase the fledgling company’s broad background.

“We have different experience with different customers,” she said, “and we just put those together and were busy right away. We use our track record, our safety, our knowledge.”

Demon started with a single water truck and one of their first clients was construction giant Lafarge, who Singer said told them if they had another, they’d hire it, too. They also added a skidster and a tandem well, which Singer said opened many other doors.

While not a PIC carrier, Singer said that obtaining their COR was a big step in building Demon’s credibility. “Not many little companies get that because they don’t want to do the paper trail,” she said, “but it gives us a break on insurance and WCB.” She recommends the Business Development Bank of Canada as a great source for funding and advice. “They were awesome,” she said. “We went there with our business plan, they actually helped and gave us other ideas how to promote the business. They’re willing to teach you. They taught me how to do the books, a bunch of stuff.”

Singer advises companies to, instead of just trying to undercut the competition, justify their rate structure as a way to show why they’re worth more than the competition. “There will be someone who’ll do (the job) cheaper,” she said, “but are they as safe as I am, do they tarp their loads, do they actually spray as much water as they say they will? You have to promote your company and say why you’re going to charge more. My guys are safety trained, they come with all their safety gear, their hard hat and safety vest, steel toed boots. And I’ll go and check the jobsites to see if my people are doing their job.”

If you run into an issue, Singer said, keep the lines open between yourself and your customers. “If you have a good relationship you can talk with them and your customer understands your position and you understand theirs.” And if you’re going to be late, “call them and say the truck’s going to be late. Be honest. Your customer would rather be told the truth.”

Singer treats her employees well, but she demands excellence in return. “We give them an extra hour (pay) every day, and that goes to show that they’d better be doing their paperwork. It’s a huge incentive.” She also believes in giving incentives to customers. “If you get paid early, give them a discount,” she said. “Your money’s in your pocket then. If you’re charging a higher rate and they’re taking four months to pay, what good is that? You’re waiting forever to get your money and by then you’ve paid your fuel, your tires, your drivers, your maintenance, whatever.”

Perhaps all these strategies can all be boiled down to one word: “respect.” Respect your business, your employees, your clients, and your neighbourhood, and you’ll be on a path to building a business worthy of respect in its own right. ■

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