

# CPx ProDriver

COASTAL PACIFIC XPRESS NEWSLETTER

## Our Time Has Arrived

By Jim Mickey

On March 12<sup>th</sup>, in an effort to remain a viable commercial entity and to proactively prepare for the coming world economic upheaval, CPX initiated wide-spread rate reductions and workforce rationalization across all subgroups of workers and suppliers. It was a very aggressive move and one which is usually a very negative situation in average companies.

While not discounting the fact it was a painful process, and potentially it promises to be even more painful as the months go on and the cash-in-pocket shortfalls are felt, *I am positive it will prove to be the difference between our future success and the certainty of our demise if we had not acted as we did.*

In a time of volatility and unpredictability, a prudent person assumes the worst and prepares accordingly. Based on the situation as known to us today, we are in for a long period of instability and chaos in our industry due to overcapacity (there are too many trucks idled at this time) and desperation (truckers who will literally work for half price just to be working). Our only defense is to be as lean as possible and selectively fight back threats as they arise, with an eye on the horizon for the end of the silliness and the return to the old rules and conditions under which we can once again thrive in our industry.

Our old model was based on the simplicity of a “driver first” mentality, a cultural stance which provided a very successful way for us to operate in the first eight years of the 2000s and one we feel defines us as an

organization. We have not lost that sense of purpose and we intend it to remain with us through the upcoming period as a basic foundation of our values-based approach to all tough decisions we are required to make. However, while in years past our ability to attract and retain the very best drivers was enough for our customers to continue to support us in the face of the incredible challenge the rest of their potential carriers labored under, these days the other carriers have no struggle to show up with an adequate supply of acceptable drivers due to the shrunk economy. We no longer command a premium rate for our services, as we are no longer a rare commodity.

To kid ourselves that what worked in the past will continue to work in the current economic climate is foolish. What I think we need to do is find a new strength, one from an entirely different angle, one which is an accommodation, a compromise of sorts, one which is designed specifically to get us through this tough time as painlessly as possible.

Our goal at this time is simply to survive in such a fashion that we can be ready when once again the

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April 2009  
 Truck Profile  
 2007 Peterbilt  
 Owner: Ron Reed  
 Started @ CPx:  
 June, 2005

### IMPORTANT DATES

Apr. 1, 2009  
 HO BBQ Day—Wednesday

Apr. 15, 2009  
 Hot Dog Day—Wednesday

May 4, 2009  
 HO BBQ Day—Monday

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marketplace agrees with our value and will pay us for that value. That day may be always off, or it may be next month, there is simply no way to predict events in these chaotic times we find ourselves in.

I believe our time to shine has nearly arrived, even more so than I felt during the go-go years we saw in the five years running up the end of 2007 when the US dollar went to par and the US housing market took its large hit. Those years were good for us, but the ones about to come will be many times better, and we need to prepare now for our time in the sun. I strongly believe that there are two factors which will assure us all of a really good shot at wild levels of satisfaction and success in the short months or years ahead of us. First, there will be many trucking failures this year, as there is a dead certainty that most of our industry is working for less than their current costs. It is only a matter of time before their bank or fuel supplier says “no more” and withdraws support for them. **With each failure comes opportunity for us to pick and chose from the debris left behind. This is a natural consequence of an over supplied marketplace and in fact a healthy cleansing of the industry, as the supply-demand situation gets closer and closer to optimum each time one company fails.**

The second factor strongly in our favor is the mathematical certainty that the driver shortage will be remarkably worse when the world economic situation reverses itself. While the current slowdown appears to have drivers available everywhere and no one is concerned to be building a workforce for the future, every passing month sees large numbers either retiring due to age or giving up on being a truck driver. No new drivers are launching a career because there are no jobs available for them. I believe that if an economic recovery comes back as fast as history shows, North America will have yards full of loads with no drivers and a good solid company with excellent drivers will be in great demand and will prosper nicely.

Both of these scenarios require us to survive and indeed thrive through the period ahead of us. We need to look good to bankers, fuel suppliers, customers, and most importantly we need to be vigilant to keep our reputation as a good place to work and a good company to do business with. We must uphold our values and we must not lose sight of how we got here, and what we need to protect to take advantage of our “time” now that it is almost upon us. I strongly believe no company can muster up a better response to either opportunity than we can, and it is largely due to the caliber of driver we have attracted over the years. We simply have an

extraordinary bunch of top notch men and women, and that is our true strength, a strength which is about to have its time arrive. I know we are ready and able, now we need to watch for our opportunities to put our strength to good use. □

## Danny Siegle, 10 Yrs!

By Joe McQueen

He started at CPx on March 23, 1999. On March 20, 1999 he was sitting in Reno for 3 days waiting for a load. He got a call from CPx saying they had a job for him if he could be in Aldergrove for Monday. He said he could be there and the rest is history.

Danny has run over 2.5 million kilometers since joining CPx. He’s had ups and downs through the 10 years but the ups have been way more than the downs. Danny says “remember the ups when you



have a down and you’ll get through it”. Many drivers just leave when they hit a down time, “it’s not good to jump around, because you start at the bottom again and you put a burden on your family each time, so stability is important. Why gamble that you’re going to a better place, if CPx fits good most of the time, stay put. It’s good for you and your family”. Good point Danny, with time you can get a schedule which will help you and your family know that you will be around on a regular basis.

About the tough times we’re in Danny says, “ **I’m staying put. My confidence in CPx is not shaken because of Jim and Glen, they know what they are doing. Yeah I was disappointed about the roll back, anyone would feel that way. But, I knew we had to face reality and stay competitive, companies are charging cheap rates right now, we can’t blame the customers, they’re in tough too”** .

Danny would like to thank all those who have worked closely with him over the years (you know who you are). The last word is Danny’s, “there is no reason I can’t go another 10 years with CPx”. □

# Now, Time to Know Your Numbers

By Bob Unger



I was thinking about this month's article when we all received that message on March 12<sup>th</sup>. **When weight of that announcement finally sunk in I got mad. Then, like I hope all of you did, I started to think of ways that I could make this work.** The Key to surviving this is that we have to work at it. We need to work Harder and Smarter.

The realities are this. As a lease operator you took a 9% cut to your base rate. However, if you were netting \$.50 per mile after expenses, you just took a 20% pay cut. Work harder, only you know if you can, but maybe I can help you work smarter. The best news I can give you is that compensating for the 9% you just lost is easier, the worse of an operator you are. The better you are at running your business, the harder this will be.

If you just look at how much CPX deposited into your account then decide if you made enough or not, you need to stop! That just won't cut it anymore. If your accountant has not been giving you

regular "Profit and Loss" statements, ask him to do so immediately. Once you have these, study the last 12 months. Take every category and divide the dollar amount by the actual miles you drove in that same period. How many cents per mile did you spend on Fuel, Repairs, Maintenance, Truck Washes, Cell Phone, etc? Track your costs, learn where your money is going and see where you can cut costs and improve your bottom line \$.10 per mile, because that is what you need.

I have done this for years and it works. I was surprised to learn I was spending \$.06 per mile on my cell phone! You need to understand that you have fixed

costs and variable costs that are directly affected by the amount that you work. Once you learn to think in terms of Fixed and Variable Costs Per Mile you will be much better equipped to handle this decrease in revenue. I am pretty sure that based on 120,000 annual miles, most people can probably find 2-5 cents in their fixed operating costs without too much trouble.

If you are changing your oil at 12,500 miles but the manufacturer says that you can still maintain warranty if you change it at 25,000 miles, you might want to do that for the time being. Just make sure that you crawl under your truck and grease it yourself in between oil changes, make sure that you maintain your truck!

Your fuel bill will have the biggest savings, you can probably find \$0.05 per mile, slow down and fine tune your driving habits. If you are doing these things already, your only option is to work more.

I'll see ya in the Slow Lane. □

ROI STATS CPx COMPANY DRIVERS	
0.0 to 0.9	21 drivers
1.0 to 1.9	22 drivers
2.0 to 2.9	18 drivers
3.0 to 3.9	5 drivers
4.0 to 6.9	2 drivers
7.0 and higher	2 drivers

## WHAT DO THE NUMBERS MEAN?

Drivers will achieve their bonus based on the following scoring criteria.

0.0 to 3.9 = 100% of bonus

4.0 to 6.9 = 50% of bonus

7.0 and higher = 0% of bonus

Great Job Everyone!

# Meal Deduction for 2008 Returns

By Joe McQueen

**Important news, the meal allowance deduction has increased to 65% for the 2008 income tax year.** Drivers must be away for at least 24 consecutive hours and the trip must be beyond a 160km radius.

The deduction applies to meals consumed by drivers as well as to employers who pay or reimburse their drivers for these costs.

The flat rate for 2008 remains at \$17

per meal, up to a maximum of \$51 per day, when driving in Canada. Drivers who operate in the US can claim US\$17 per meal up to US\$51 per day, converted to Canadian dollars. □

# Clear Choice

By Gary Robertson

6:15 pm 10 miles east of Sicamous. As we have all experienced at this time of year, windshield sprayed to the point you can only see through the mud streaked areas the wipers attempted to clear. **What we all know, but frequently discount, is the muddy spray on the headlights.**

We hunch over the steering wheel and try to see as far ahead as we can, get a few more miles before we “have” to stop and clean them. My thought at this time was “I’ll stop in Sicamous, get a coffee and clean my windshield and headlights then.”

6:17 pm (as shown on E-logs) 7.5 miles east of Sicamous, “Damn, can’t see a thing”. The overhead

lights help but still...”maybe I better pull over and give the headlights a wipe.” So, I took a couple of minutes and cleaned my headlights.

6:25 pm (as shown on E-logs) 5 miles east of Sicamous, “No no no... please let me miss her” a moose cow and her calf sprinted onto the highway. Two cars were east bound, I couldn’t swerve to

not stopped to clean my headlights, I’m 100% sure I would never have seen her in time to attempt to stop. The speed limit was 100kms. Damage to my truck was minimal because the moose bumper lived up to it’s name. Because I had clean headlights I saw far enough down the road to react.

Will I stop more often and clean my headlights?

THAT’S A GIVEN.

Should you stop more often to clean your headlights?

If you are smart the answer is ...YES!!□

BE SMART

# Check Please

By Joe McQueen

Now is the time to make sure we get paid for the work we do! Yet we don’t.

**We are not getting paid for all the work we do, and the reason is simple, drivers are not checking the B/L’s properly.**

I cannot emphasize how important it is to make sure the shipper’s name & address, receiver’s name & address, date, piece count,

temperature and appropriate signature are on the B/L. The same holds true for the delivery document, make sure you have the receiver confirm the piece count and sign off on each load so that we all get paid. Always include a B/L copy in your trip envelope!□



## Service Awards



Joe Drogenik  
Years of Service—2  
Company Driver



Paramjit Sarao  
Years of Service—2  
Independent Contractor



Dale Whitehead  
Years of Service—2  
Independent Contractor



Robert Peterson  
Years of Service—2  
Company Driver



William Tung  
Years of Service—2  
Independent Contractor



Terry Price  
Years of Service—2  
Company Driver



Steve Poirier  
Years of Service—2  
Independent Contractor