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WHITE Paper

Become A Great Trucking Company

*Building and maintaining a winning team*

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Abstract

Great companies hire, nurture, and retain great people. They build cohesive teams around a shared vision. It takes dozens of integrated processes to achieve greatness and most of them should be focused on people: recruiting, selection and hiring, orientation, education and training, performance support and leadership. These strategies form the foundation for acquiring, building, and maintaining a great team.

This paper challenges you to rise above the sea of mediocre competitors and become a great trucking company. The path is long, and the journey is difficult, but the rewards are life changing. Great companies grow, prosper, and make more money than their lesser competitors.

But the business outcomes of creating a great company pale in comparison to the personal satisfaction you can derive from all the extra effort. Happiness evolves from a life well-lived: giving back to society, helping others and being the best you can be. Creating something great leads to self-actualization.

There are things you can do right now…today…to get started on your path to greatness. They begin with your people and your people processes. Some are inexpensive and some aren’t. Some are easy, while others require more thoughtful planning and tenacious execution. Some will help a little and some will help a lot.

Most importantly, the strategies are synergistic. Each one provides value, but when combined, the results are remarkable. In fact, the sum is far greater than the parts. The key is to get started with new processes that can help.

It begins with self-awareness. Who are you? What do you stand for? What markets do you serve? Great leadership begins with self-awareness. And that extends to self-awareness of your business as well. By carefully analyzing and fully understanding who you really are, you can determine who best fits your team.

This paper delves into the transformative people processes necessary to achieve greatness in the trucking industry. It is not a path for everyone to take. After all, not everyone can be great.

It’s All About Winning

**At first… it’s not about winning, it’s about survival**

When you start your business with that first truck, it’s not about winning, it’s about survival. There are so many things that you don’t know and most of them can hurt you. But after some hardships, some struggles, some misplaced enthusiasm and some happy customers, the business, still fragile, begins to grow. Bigger and better things are on the horizon.

Time passes quickly. You’re no longer in a survival mode, although set-backs and harsh realities occassionally bring survival back into your consciousness. Soon, your thoughts turn to growth. If you’ve been lucky enough and skillful enough to surround yourself with a few good people, you have some help for your journey. At first, everyone can do everything and they don’t mind. Accounting, marketing, warehousing, routing, cooking hamburgers at lunchtime, emptying the waste baskets…you and your people can do it all.

But one day you look around and the business has grown to a size that you and your small team of people no longer have all the answers. Your jack-of-all-trades fellowship has holes. You need specialists to take the business to the next level. So you hire some computer tekkies, marketing types who know terms like SEO and meta-tags, logistics experts who are AST&L certified and so on. Perhaps you are already this far along.

And then you wake up one morning and realize that just having a good business isn’t good enough; you want to have a ***great*** business. One that can be passed on to the next generation. One that won’t get stomped out during the next economic downturn. One that does things so well it can compete head-on with the best of the best. But how do you go from good to great?

**Good is the enemy of great.**

The opening line of Jim Collins landmark book, ***Good To Great***, tells it all: *“Good is the enemy of great.”* He quickly builds on this concept by noting that we mostly have good schools, good government and a good life. But things that are great are rare indeed. Perhaps you have a good company. And that might be your greatest challenge.

Business is all about winning. Beating your competition. Great companies win. Weak companies lose. And the ones in the middle (the good guys) plod along. Do you have what it takes to become great? Do you even want to be great? Anyone can have a vision, but very few are able to execute the people processes needed to actually achieve greatness.

What Makes You So Special?

You undoubtedly have pride in your company and its heritage. So, if someone challenges you with such an offensive question like the one above, you immediately bristle. As a business owner, I would too. It’s second nature. We’re quick to defend our family, our tribe, our nation and yes, even our company.

But the question lingers, what does make you so special? What sets you apart from other trucking companies? You’re in a competitive market, but the competition isn’t only over freight, it’s mostly over drivers. You’re in a fierce battle to attract, hire and retain quality drivers. And the drivers who are looking for a job want to know one thing: what makes you so special?

Chances are good that they’ve worked for four or five carriers already who all claimed to be “special.” They all promised respect and a host of other vapid platitudes. But they didn’t deliver and that’s why the industry is plagued with 100% turnover and the common belief that there is a driver shortage.

**You don’t have the monopoly on difficult staffing challenges.**

You can whine and moan about your challenges. You can claim you’re in a tough business and it’s hard to find good people. But you don’t have a monopoly on the difficult challenge of finding people to work in a tough environment for low wages. Try retail, where pay is rarely more than minimum wage, the work takes place in the evening or on weekends when your friends are all off having fun. This is an industry where turnover often exceeds 200%. How do retailers survive? Better yet, how does one particular retailer grow at a rate of 20% year after year for 32 years in a row?

That retailer is the privately owned Container Store, out of Dallas, Texas. It outperforms all other retailers in revenue-per-square-foot by a factor of **500%** and coincidentally it’s made Fortune's list of *100 Best Places to Work in America* in each of the past 11 years. Most analysts would describe this company as great. Perhaps there are lessons to be learned.

Let’s dig a little deeper to find out why…

Their self-described key to success: **PEOPLE**

It begins with a devotion to recruiting, hiring, training and retaining a highly qualified workforce and providing a unique culture, based on their six founding principles. They only hire great people (3% of applicants), as defined, in part, by these key attributes:

Attitude Intelligence

Positive Energy Love of People

Teamwork Peer to Customer

They insist that just one great employee outperforms three average employees! And they’re willing to leave a slot open until they can find the next great applicant. Compare that to their competitors who hire just about anyone who completes an application.

Their employee referral program is so effective that they went eight months last year without placing a single help wanted ad. What do you pay for advertising?

Hiring great people is just the first step to achieving amazing results at the Container Store. Each new employee is assigned a personal mentor, and everyone gets more than 240 hours of first-year training, compared to an industry average of ten hours. Is it expensive? You bet. Does it pay off? Just look at those performance numbers again. Five-to-one greater sales per square foot and 32 continuous years of 20% growth! Wow. Maybe having great people really does make a difference.

So, you can sit back and accept 100% driver turnover and blame it on the industry. And you can keep shelling out $20,000 per month and roll the dice on marginal recruiting ads, trying to put warm butts in cold seats. Or you can try something different. It begins by understanding what makes you so special.

**Attract drivers who like what you have to offer.**

If you can define what makes you so special, you can begin to attract drivers who like what you have to offer. All too often, recruiting ads feature a driver saying nice things about their employer. These are based on the advertising designs of the early 1960’s and rely on the *I can relate to that* philosophy. That is, people will more readily believe someone who is a peer. In today’s jargon, someone in their social network.

Your recruiting and advertising messages should focus on ***what makes you so special*** - what makes you different. Your ads need to be appealing and catchy to get everyone’s attention. But most importantly, they need to captivate the attention of the applicants who are a best fit for you, the guys who would *love* to work at a company like yours. But attracting them to your front door is not enough. You have to carefully vet them to ensure they truly are a best fit. Please take the time to read our white paper *Selection is Everything*

to learn what you need to do.

The tragic effects of high driver turnover hurt just about everyone, but just imagine the competitive advantage you would have by cutting your turnover in half. Suddenly, the enormous financial burden that plagues your lesser competitors becomes a remarkable opportunity for you. While they burn through cash paying for churn, you can be buying more trucks. Winning begins with selecting and hiring *winners.* Start there.

The Big Wet Kiss

Think back to your dating days…the budding days of a new romance. What happened first. Did your date make you sign the rule book or take a drug test? If so, you probably ran away like your hair was on fire. Chances are pretty good that you spent quality time together, getting to know more about each other. Getting to know his or her likes and dislikes and, most importantly, values. In our personal life, it’s called falling in love. In a job setting, it’s called alignment.

Your first and best opportunity to achieve alignment with a driver is during the initial orientation and onboarding process. Although the process of alignment never really ends, it’s doomed to fail if it doesn’t begin at the very beginning. New drivers are apprehensive. They just made a big decision to join you. They have legitimate concerns about how they’ll be treated and what will be expected of them.

**Alignment is vital to longevity.**

Acclimating the new driver to your **culture** is vital to his or her commitment and longevity. But orientation is far too often a mismatched bunch of activities that convolute selection, onboarding and alignment into one fast-paced whirlwind of activity, followed by an almost complete disengagement, as the new driver is given his keys and sent on his way.

For example, most carriers give drivers physicals, drug tests and road tests as part of orientation. It doesn’t take much to realize that these things are part of selection and hiring decisions, not new driver orientation.

Further, the recruits spend a lot of the time completing paperwork; choosing benefit options; signing legal forms or going over the rules (onboarding).

While these activities are important, even required, they aren’t orienting or aligning anyone. In fact, they plant damaging seeds. They create an impression of red-tape and bureaucracy. That’s not who you really are, so why lead them to think that?

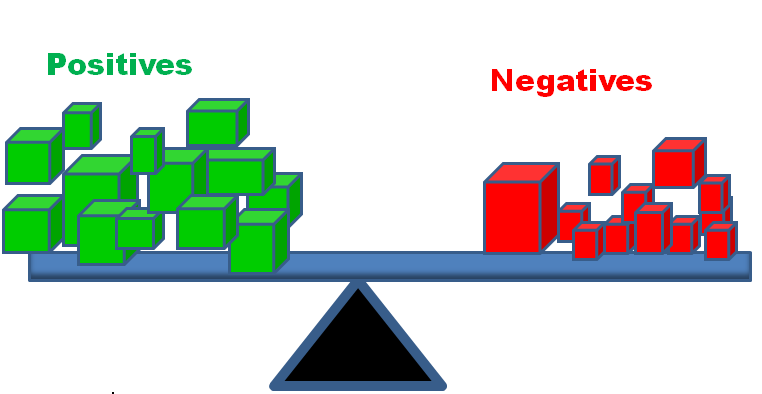
Why not separate those last few steps of selection (e.g. tests and physicals) from the on-boarding activities (e.g. completing paperwork)? Then, provide a real orientation process that welcomes the new driver and explains your culture. Tell him how happy you are to have him on the team. Tell him how he can expect to be treated. Explain what you will expect from him.

Make no mistake; initial driver orientation has a huge impact on first year retention levels. Do it right and enjoy the benefits of lower turnover.

Heavy Weights, Light Weights and Waits

Although effective selection, hiring and orientation are all vital, they are by no means the only people-processes necessary to achieve better driver retention. There are lots of reasons for turnover, too numerous to list here. In fact, through our research we’ve assembled a list of 192 different reasons why a driver might decide to leave you only to land at another company worse than you are.

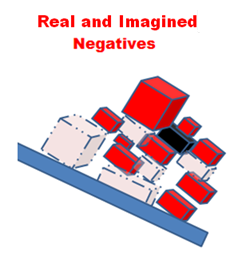
A handy way of looking at the root causes for driver turnover is using the metaphor of **weights-on-a scale.**



There are positives for joining and staying with your company and there are negatives. Every driver you employ joined you because, at the time of hire, the positives *seemed* to outweigh the negatives.

Once on board, the scale continues to evolve. Weights are added or removed. Some are positive and some negative. As long as the positives outweigh or balance the negatives, the driver stays. However, if the negatives start to outweigh the positives, the likelihood for turnover increases.

**The scale appears to be stacked against you and maybe it is.**

Different events in the trucker’s life have different weights. Some mean a lot more than others. More importantly, some are real, and some are imagined. Facts versus fiction. But in the mind of the driver, negative fiction weighs just as much as hard reality. Psychologists describe this phenomenon as *perception is reality.*

**The scale seems to be stacked against the carrier and maybe it is.**

Common events such as lengthy waits to get unloaded, or getting stranded without a load are often interpreted by the driver as avoidable. Worse, negative events tend to be personalized. ***Why did they do this to me? They don’t care about me. They lied to me.*** And so it goes, real or imagined, the negative red bricks add up and the teeter totter tips. There goes another good driver.

**Never forget: Perception is reality.**

The dispatcher, who is legitimately too busy to answer a driver’s question, drops the same big red brick as the dispatcher who truly doesn’t care. In the eyes of the driver, both encounters are negative. Efficiency is vital, but it’s only a piece of the puzzle. Interpersonal skills are needed, but on their own, are not enough. Caring is perhaps the most important quality, but without efficiency and interpersonal skills, it too falls short.

That means your driver managers have to be efficient, skilled and caring to avoid tipping the scales.

On the other hand, positives are only positive if the driver actually knows about them. They don’t do you any good, unless you promote them.

**Drivers don’t leave great companies. But, they often leave good ones.**

Consider the word **churn**. Churn doesn’t just mean turnover. It means drivers moving between companies who all provide comparable working conditions. The driver doesn’t change jobs and get a $20,000 raise, or a shiny new truck or even much more home-time. He didn’t *improve himself* to use the idiom. He just finds himself in a different truck with a different logo and eventually comes to believe that all carriers are the same. Maybe he’s right. Maybe they’re all good, but they sure aren’t great.

Why Would They Ever Leave?

When NBA players get called for too many fouls, they ascribe it to lack of respect. Even if their hammering drew an opponent’s blood, they believe the referee doesn’t appreciate their skills. *You would never call that on LeBron or Koby!* This **respect** theme is also pervasive among truck drivers.

A poor pay package is interpreted as a lack of respect. A delay in getting paid is just like being dissed. Not getting enough miles, or conversely being assigned too many miles, are both seen as a lack of respect. Having to wait too long to unload? No doubt about it. Bad.

**Any negative event is seen as disrespect**

In fact, it’s difficult to imagine any negative circumstance, real or perceived, that isn’t interpreted by a driver as a lack of respect.

Do your drivers bear the brunt of inefficient dispatch procedures or good old-fashioned mistakes? Do they miss loads and sit over night because of delays getting unloaded? Are they forced to deal with automated answering machines, *“press 9 for dispatch…”* or wait on hold forever, just to talk to a live body? These are all big red bricks on the driver’s scale of justice. Real or imagined, they begin to add up and eventually lead to a tipping point.

Our research identified 192 specific reasons why a driver might leave one carrier and go to another, but it wasn’t easy to get the drivers to articulate this level of detail. When asked why they left, most drivers resort to very broad categories, such as: ***They lied to me. They didn’t show me any respect. They broke a promise. They treated me badly. They didn’t care about me.***

But what really happened in these situations? Were they really lies, or did something go wrong that forced the dispatcher to make a decision that caused the driver to interpret the event as a lie?

**You can’t fix the problem until you can accurately define it.**

Einstein once said that 90% of solving a problem was accurately defining it. And that’s true for driver turnover. You can’t possibly solve such broadly stated problems as disrespect or lies. You have to dig down to the micro-level and, one-by-one, identify and eliminate those discrete 192 reasons that are stacking up the red bricks. By the way, the list is available for free at [www.avatarfleet.com](http://www.avatarfleet.com).

Drivers want to feel appreciated. Drivers want to feel respected and part of a winning team, not just a number, not a blip on a GPS screen. They want to have a purpose and clear goals. They want to know if they’re doing a good job and, if not, and what they can do to perform better. They want someone to talk to once in a while; someone to listen and maybe even solve a problem or two along the way.

**Drivers leave for many reasons… the vast majority easily remedied.**

Great companies have great drivers, and they know how to keep those great drivers happy. It doesn’t cost any more than treating them like cattle. Strip away those big red bricks and be sure to self-promote the green ones.

Drivers leave from many reasons, but the majority of those reasons are easily remedied. Tip the scales in your favor and become a great company.

Plug The Leaks

It’s amazing how often good companies discuss their problems but fail to study and measure why they have them. Driver turnover is one of the best examples. The entire industry wrings its collective hands and bemoans the situation as a curse that all must bear. Remarkably, the preferred strategy seems to be recruiting. *Let’s find some more drivers and put some warm butts into these cold empty seats.* Why not plug the leaks?

Great companies are made up of great people who align with a vision behind a talented leader. They have a strategic plan, and they know how to execute. They never tackle their problems piecemeal. Instead, their ideas and strategies are brought together under one umbrella into a cohesive plan. Each individual process is carefully studied for its potential to return positive results and its effect on the other strategies.

Interestingly, the first stop when looking at driver turnover is often an examination of driver wages. *If we only paid more money, we could get and keep more drivers.* It’s an alluring argument but it’s dead wrong. Our research shows that while some drivers leave the industry because of pay, they are in the minority. The majority of drivers churn between carriers who all pay about the same thing you do. So, don’t fool yourself into thinking that a bump in wages is your best solution. It isn’t.

**You need a plan.**

You need a plan that everyone can get behind. And it can’t just be a hodgepodge of ideas. It must be a unified approach of several synergistic processes that collectively eliminate the 192 reasons drivers leave.

Start the Journey

**Retention must be a key element of your strategic plan.**

There are hundreds of good truck lines, but only a few great ones. The great ones have one thing in common: a relentless commitment to attract, hire and retain great drivers. Driver retention is simply part of their DNA. It’s a key element of their strategic plan and overtly supported by the daily actions of their senior leaders.

Retention is a key metric for everyone: recruiters, dispatchers, safety, payroll, even sales. Results are measured daily and posted for everyone to see. Compensation and bonuses are based, in part, on driver retention. The loss of a single good driver is a big damn deal and gets a lot of attention and discussion.

So how do you start the journey? If you’re good and really want to be great, it begins with a fanfare. A campaign. An event. However, make no mistake about it, it’s a long arduous slog to greatness. It requires undying fire in the belly, a significant commitment of time and energy, persistence, and championship execution. A momentary program or event won’t cut it. Most of all, it begins with an appreciation for your people.

You need a plan, and it should begin with a launch campaign. For purposes of getting started, it can be a program with a catchy name. Let’s call our example Operation Retention Reinvention. Once Operation Retention Reinvention begins, it needs a lot of visibility. It needs an internal marketing blitz with vocal and visual support from above.

But the kick-off is the easy part. The real work begins when time has eroded the message and employees begin to drift. You can’t allow that to happen, or your initiative evaporates like the flavor of the month. You have to keep stoking the fire with new ideas, persistent follow up and pervasive conversation.

Most importantly, you have to be demanding. People typically do what their boss inspects, but not necessarily what their boss expects. That means, you need to establish the expectation that driver retention is really, really important. Be sure to take an active role in posting the daily results. Then, follow up with fierce conversations regarding any defection of a desirable driver.

**People do what their boss inspects.**

Summary

Good really is the enemy of great. It’s easy to be good. It’s acceptable to be good. Everyone likes the good guys. However, real happiness comes from being great. It isn’t easy, but for a select few, it’s well worth the effort.

Great companies attract, hire, nurture and retain great people. They build cohesive teams around a shared vision. They reliably execute dozens of integrated processes under a single cohesive plan to achieve greatness. They focus on their people processes, especially: recruiting, selection and hiring, orientation, education and training, performance support and leadership.

Great trucking companies have great drivers. Drivers who stay for years, not months. Drivers who show up on time, looking sharp and ready to work. Drivers with a *can-do* attitude. Drivers who obey the laws and regulations and drive defensively. Drivers who understand that their paycheck comes from the customer and who provide exceptional customer service.

**Plugging the turnover leaks allows you to be more selective, which helps you get better and better.**

Plugging the turnover leaks in your organization is the first step towards becoming a great trucking company. It allows you to be more selective with each new hire. And, that ever-increasing selectivity leads to better and better job performance across the board. When you become the employer of choice, everything gets better.

The process of becoming a great carrier provides great rewards. It’s a journey well worth taking. Voluntary turnover is a curable form of cancer. Let it eat away at your competition while you become great.

*Avatar Fleet conducts organizational analyses, provides expertise, and develops custom selection, orientation, retention, education, training, and support systems. Avatar’s custom-branded strategies encourage and reinforce desired behaviors and lead to world-class* *safety results.*

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