

“Driver Retention”

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MACKINNON TRANSPORT INC. TURNOVER HISTORY

2003	Annual	=	20.5%	2004	Annual	=	26.7%
	12 Month	=	15.5%		12 Month	=	31.0%
2002	Annual	=	23.0%				
	12 Month	=	19.0%	2005	Annual	=	29.9%
2001	Annual	=	22.0%		12 Month	=	28.7%
	12 Month	=	24.0%				
2000	Annual	=	25.0%	2006	Annual	=	38.1%
	12 Month	=	33.0%		12 Month	=	38.6%
1999	Annual	=	44.0%				
	12 Month	=	58.0%	2007	Annual	=	45.1%
1998	Annual	=	69.0%		12 Month	=	34.0%
	12 Month	=	80.0%				
1997	Annual	=	92.0%				
	12 Month	=	105.0%				
1996	Annual	=	105.0%				
	12 Month	=	120.0%				

January 24, 2008





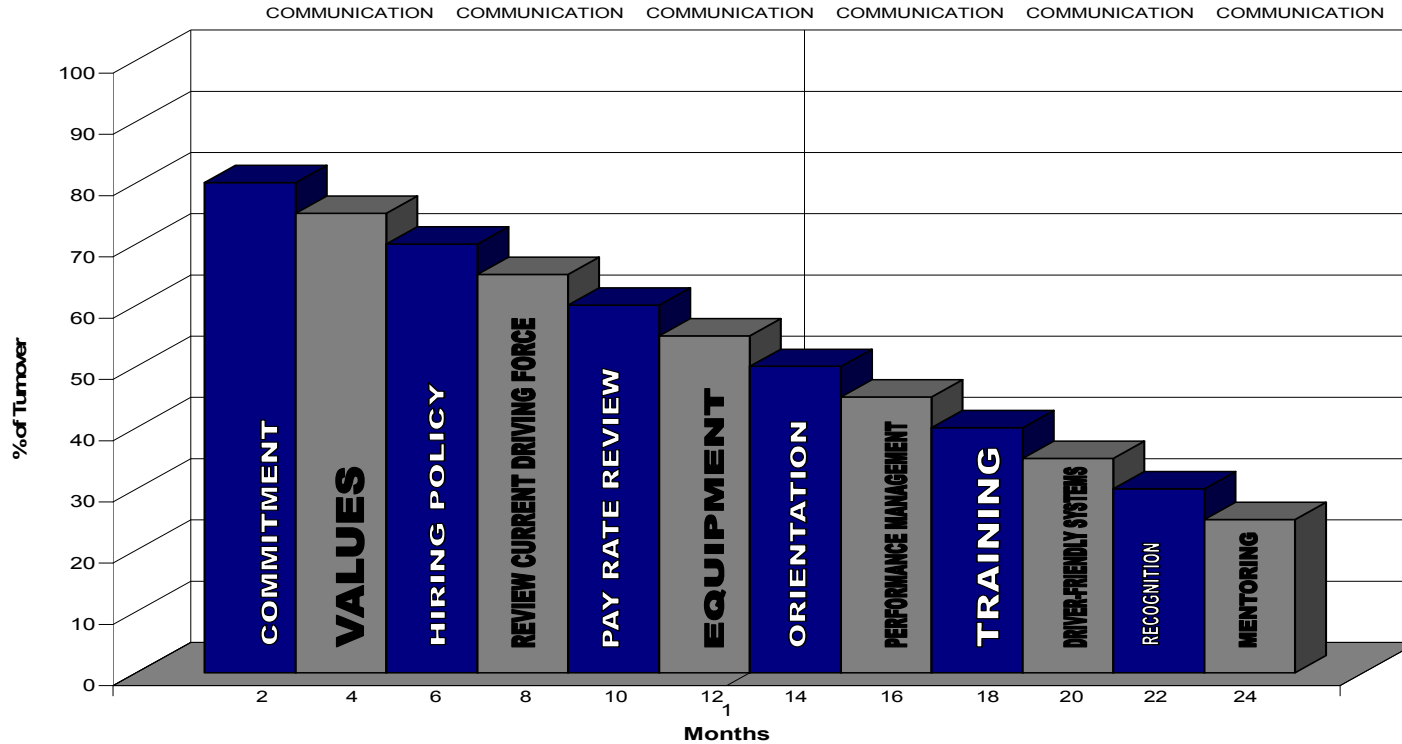
MACKINNON TRANSPORT INC. TURNOVER HISTORY

2007	Annual	=	44.9%	2003	Annual	=	20.5%
	12 Month	=	34.0%		12 Month	=	15.5%
2006	Annual	=	37.5%	2002	Annual	=	23.0%
	12 Month	=	38.6%		12 Month	=	19.0%
2005	Annual	=	29.9%	2001	Annual	=	22.0%
	12 month	=	28.7%		12 Month	=	24.0%
2004	Annual	=	26.7%	2000	Annual	=	25.0%
	12 Month	=	31.0%		12 Month	=	33.0%
				1999	Annual	=	44.0%
					12 Month	=	58.0%
				1998	Annual	=	69.0%
					12 Month	=	80.0%
				1997	Annual	=	92.0%
					12 Month	=	105.0%
				1996	Annual	=	105.0%
					12 Month	=	120.0%

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QUANTIFYING YOUR RETENTION EFFORTS



January 24, 2008





TURNOVER FORMULAS

- Driver turnover ratio 12 Month =
Drivers quit that were hired in the last 12
months / drivers hired in the last 12 months
- Annual Turnover Formula =
Drivers quit (YTD) / Elapsed days X 365 /
TTL # of Drivers



COMMITMENT

- It must come from the directors of your Company. It must be genuine and it must be unwavering.
- Most critical to long term benefit of any retention effort
- The transition to a driver-friendly company is an investment of resources and time



VALUES

- If your Company has not formulated a Value Statement, DO IT IMMEDIATELY
- Everyone should have input; drivers, administration, operations, maintenance, safety, managers
- Full commitment is the only way



VALUES, VISION, MISSION

***VALUES,* At MacKinnon Transport, we Strive to Meet and Exceed the Needs and Expectations of All Our Stakeholders by Full Accountability and Integrity in All Our Dealings.**

***VISION,* To be the Leader in Customer Driven Quality Logistic Solutions - the Carrier of Choice.**

***MISSION,* Provide Transportation Solutions to Industry focused on Customer Driven Quality Service.**

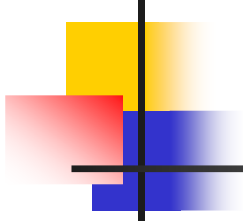
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HIRING POLICY

- Take the gray area out of your hiring process for your recruiter
- A clearly defined hiring policy
 - minimum acceptable point standards
 - calculation of points per year
 - drivers record deductions
 - drivers road test
 - Partner with Driver Training School (PTDI)



From our experience, when you deviate from your standards, you will inevitably hire a problem driver.

Quantify the Driver's expectations of your Company and your expectation of the Driver



REVIEW CURRENT DRIVING FORCE

- Establish hiring criteria
- Ensure existing drivers meet these standards
- Review all your existing drivers to your new standard
- Individuals may need additional training and education to meet standards, in some extreme cases you may need to discharge some that simply should not be a part of your fleet



PAY RATE REVIEW

- Develop a competitive pay scale
- You are going to have a challenge lowering your turnover rate if you are below market in your pay rates. Strategy for the future of your Company has everything to do with this subject
- If you are well below market and are not prepared to adjust, then be realistic in your expectations



EQUIPMENT

- Keep it clean, well maintained, safe and driver-friendly
- Three types of drivers and owner operator
 - Truck stop cowboy
 - Lost and forlorn
 - Professional

Professional Drivers want to work for a
Company who puts safety first



ORIENTATION; is critical to the success of a driver entering you Company

- Clear introduction to the Company
- Drug and Alcohol Policy
- Policies and Procedures
- Customer Specific Specialized Training
- Maintenance Requirements
- Border crossing requirements
- Operational Issues
- Accident Reporting Procedures
- Required Documentation
- Hours of Service
- Load Security
- Equipment Operations
- Payroll and Benefits
- Safety and Security Issues
- Hazardous Materials Training
- Defensive Driving
- Facilities Tour
- Win / Win Values
- Any other specified requirements



ORIENTATION

- Drivers will only retain 20% of the information in Orientation - maximum
- Develop a comprehensive driver manual (for this purpose). Ensure that the information within the manual remains current and accurate
- Make orientation fun and informal



PERFORMANCE MANAGEMENT

- Standard Operating Procedures (SOP); relates directly to the fairness and consistency in dealing with issues on a daily basis
- Performance expectations should be documented and agreed upon
- A Disciplinary Policy should be easy to understand and clear in its intention
- Performance Reviews of Drivers



TRAINING

- Training is an on-going process and is necessary for continuous growth for a Company and for the individually
- Input from drivers is important
- Many tools are available for training
- Create training programs which will provide the opportunity for your Drivers to improve and develop their skills; Road Master Program
- Help to ensure the success of your O/O's by providing Business Training Skills



TRAINING

- Drivers want
 - to excel in their trade and remain current
 - respect among their peers
 - to know the law
 - to know about new equipment
 - to expand their knowledge of the industry



DRIVER-FRIENDLY SYSTEMS; what can you offer your drivers in the way of tangible and intangible benefits

- Fresh fruit in the driver's room
- Offer 401K/RRSP plans and educate them to the benefits of these plans
- Offer access to your Company's financial experts for individual budgeting
- Have a free drivers' BBQ once per month
- Speed your system up by setting timelines to report back to your driving force
- Availability of drivers' clothes washers and dryers, lockers, telephones
- No Trough
- Customers who have no regard for your driving force need to be educated
- Employee Assistance Programs (EAP) are excellent tools used to divert more intricate and personal issues
- Educational bursaries/scholarships for the children of your driving force
- Ensure the driver's surroundings are clean and neat at all times
- Email in Trucks
- EZ Pass
- FAST / CSA
- Toll Transponders
- O/O Business Services Desk
- **Etc, etc, etc ...**



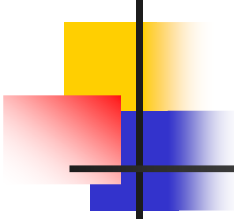
RECOGNITION; everyone likes to be recognized for their efforts

- A sales lead program
- A driver recruitment reward program
- A driver and Owner/Operator of the month program
- Accident-free driving recognition
- External Awards
- Driver's suggestion box
- List all drivers who successfully completed DOT roadside inspection
- Recognize all new births, wedding anniversaries, etc.
- Recognize longevity with your Company



MENTORING

- Driver Mentor Program
 - all newly hired drivers and owner operators are assigned a designated Company staff member identified as a mentor
 - Mentors are responsible to assist new hires to adapt to the culture and environment
 - Mentor provides guidance for issues which may arise for a one year period



COMMUNICATION; is an intricate part of the success of retention. There are many ways to send a positive message

- Quarterly Newsletter
- Bi-weekly news flash
- Bulletin boards
- Company Christmas Party
- Children's Christmas Party
- Company-wide golf tournaments
- Family Fun Day
- Company-wide picnics
- Company-wide state of the union addresses
- Display plaques, pictures, company awards
- Driver's appreciation Day
- Driver Bull Sessions
- **Etc, etc, etc...**



Celebrate...

- Driver and Owner Operator of the month
- Significant milestones of your people
- Longevity of your company
- Major wedding, anniversary dates
- New births
- Retirements
- Owner operators who purchase new equipment
- Promotion of personnel
- Accident free driving
- New equipment you have on order
- Donations to local charities
- Company scholarships
- Company's involvement in industry-related associations
- Departmental heroes
- **Etc, etc, etc...**



The secret to this whole puzzle;

- Create a positive company spirit, positive company culture with a sense of community in a value-driven organization and you will reap the benefits of low Driver Turnover