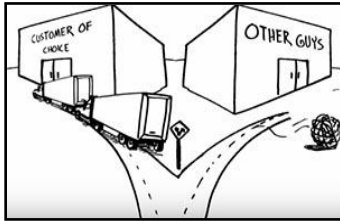


# Market Watch



## Becoming a 'Customer of Choice' Starts at the Top

The truck driving profession is facing a shortage crisis in Canada. And the manner in which truck drivers are treated at facilities is one reason why. With freight demand increasing across North America and capacity tightening, buying power is swinging in truck drivers' favour – giving them not only more choice of who they work for, but also which customers they want to serve. The Ontario Trucking Association has wrapped up Operation Upgrade – a six-month campaign to find out how truck drivers are treated at shipping and receiving facilities and measure their level of satisfaction with their carriers' customers. This infographic [Operation Upgrade](#) highlights some of the results and explains the implications for the supply chain. Two videos are also imbedded in the infographic. The first is a white board video which illustrates the issue of driver treatment and shows businesses how they can become preferred 'customers of choice' – ensuring them transportation capacity throughout the driver shortage. The second video profiles a young Canadian Sikh truck driver who discusses his love for the job while sharing insight about truck driver maltreatment and discrimination. (check out both videos directly below). "We asked drivers to speak up about what they were experiencing at certain facilities and this communication package encapsulates their sentiments," says Marco Beghetto, VP, Communication at OTA. "There's no single cure-all for the driver shortage. But at the very least treating truck drivers with respect, like the professionals they are, can go a long way. We recommend that carriers forward this package to their customers and supply chain partners to hopefully begin a dialogue on these issues."



## Panel: Economy Putting Pressure on Carriers, Rates

Leading shippers and carriers discussed key trends affecting their businesses at the recent Surface Transportation Summit, including service expectations of customers, capacity and pressure on rates. As reported by *Truck News*, Doug Munro, president and owner of Maritime-Ontario Freight Lines, says he's noticed increasing service expectations among customers, driven by IT systems and software and technological enhancements, which are driving greater accountability. "We're seeing a lot of demand from customers; they expect almost perfection. They expect higher levels of services," he said, adding the downturn in the economy has led to a challenging environment for freight rates. Dan Einwechter, chairman and CEO of Challenger Motor Freight, warned that despite slowdown, carriers should remain steadfast on pricing. "It's easy to cut your rate by

25%, which we saw during some of the tough times," he said. "But that's a 50% increase to go back up and psychologically, it's hard for your customers to accept that." Jason Dubois, president of Len Dubois Trucking agreed rates are not where they should be. "A lot of carriers don't have the negotiating skills, or don't even know what they need for a rate. They don't know what their costs are. We have matured as a company over the last few years using software, industry benchmarking and really understanding what the rates need to be – not just what we think we can get." Alex Boxhorn, logistics manager, Loewen Windows, said shippers are more likely to accept rate increases if the carrier has done a good job at communicating the reasons and proves all steps have been taken to eliminate inefficiencies. "As a shipper, my first question will be what you as a carrier are trying to do to improve efficiencies within your own fleet to address costs and mitigate increases," he said. "Then, how can we as shippers help you eliminate waste in your processes?" Ginie Venslovaitis, past transport director of Hudson's Bay Company, said capacity is not affected by the number of trucks but by whose available to operate them. "I think the challenge is more about the driver. The carriers have all the tractors and trailers sitting up against the fence but if there's not a warm body to put in the seat, there is a capacity issue."

## ATRI: Op Costs on the Rise

The American Transportation Research Institute (ATRI) released the findings of its 2015 update to *An Analysis of the Operational Costs of Trucking* today. The research says the average marginal cost per mile increased in the U.S. Despite falling fuel prices, the rise in average operating costs in 2014 is due to an increase in equipment purchases, as well as driver wage increases driven by the ongoing driver shortage. A copy of this report is available [here](#).

## Diesel Prices

Ontario Average Diesel Rack Prices  
January 2009 - November 2015

