

# LFS is Growing by Ron Riddle

## LEAVITT'S ON THE MOVE!

It is an exciting time here at Leavitt's. We are growing at an incredible pace, due to all of the excellent people who make up this company. Your ability to provide great Customer Service is causing us to burst at the seams. We recently rented a second yard here in Springfield to store extra trailers and loaded trailers that are waiting for delivery appointments. This new yard is about 2 miles from the shop and will work very nicely for overflow parking. You may be asked to drop or pick up a trailer at the 30<sup>th</sup> Street yard in the near future. There is a map in the dispatch office showing the route to the new yard. This new yard will ease the pressure on the main yard.

Expanding out of state,

We are currently in negotiations with a company in Washington to rent property along I-5, south of Olympia for the purpose of storing trailers that are destined to unload in the Seattle market. We will have more information on this location at a later date.

Indiana reload yard:

This past fall we doubled the size of your reload yard in Indiana; the location has taken off and has become a great anchor point for our mid-west operations. Last year we transported over 900 loads out of this location; this year should exceed that number easily. We added a full time dispatcher in Indiana, his name is Cory Smith. Mandi and Cory have their hands full keeping up with all demands of this area and are doing a great job. They have a great crew of drivers working with them to keep the wheels rolling in that region.

To sum it all up, it takes every person here to be committed to great customer service. Customer service is what we sell. Customer Service is our product. Without it we do not have a business. We are not a trucking company we are a Customer Service company. We use trucking to provide that service. That is why we are able to grow. We provide great service to our customers and in return they ask us to come back and do it over and over.

Thank you to each of you for being committed to Customer Service.



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LEAVITT'S LOG

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# Leavitt's Safety Focus - By Billy Dover

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## **SAFETY PROGRAM INITIATIVES**

Recently I received an unsigned letter that was slipped under my door in the dark of night. This letter was rather descriptive and suggested things we can't print in this newsletter. It was vulgar, but more importantly, I wondered why? Leavitt's has built a reputation for excellence which relates directly to the quality of drivers we employ. I find it tough to believe, one of the professionals we have working here would find this kind of outlet satisfying.

The correct course of action would have been to come in, sit down with me and discuss what was generating this level of frustration. As the author of this document probably suspected, the answers might not have been what the individual wanted to hear, but we could have discussed whatever the issue was in a professional / adult manner. Enough on that subject.

Over the last few months, we've worked hard to communicate the initiatives we are undertaking to improve your safety and contain/reduce out-of-control costs associated with Accidents/Injuries. In this regard we've used several modes including; letters to all drivers, In-Touch messages, Driver Safety Meetings, Performance Reviews, previous newsletters, etc. These efforts involve change and when looked at individually, we understand how you, the driver, might perceive these efforts in a negative manner.

Today's trucking environment is more competitive than ever and profit margins are razor thin. However, Leavitt's has been around for 55-years because we strategically plan and proactively address those issues that are barriers to safety/profitability. We must have a multifaceted and balanced approach to safety & productivity. We can and must have both to succeed in today's business environment.

Leavitt's is aggressively looking at all aspects of our operation. Nothing is done in a vacuum. Any program/initiative/change implemented has been fully vetted by the Management Team prior to implementation. As a team member, we want you to understand why we are taking a specific course of action which is very hard to communicate via the modes available to distribute information to the greater workforce. Nothing beats one-on-one dialogue. Everyone is encouraged to take advantage of Leavitt's open door policy to address concerns. Let's not digress to leaving anonymous letters that are childish and have no constructive value.

While not at all inclusive, Safety Program initiatives & procedures currently in use include:

Weekly & Monthly tracking of driver miles / driving hours:

Used to improve productivity without jeopardizing safety. Goal: increase the number of drivers who qualify for the Dash-4-Cash bonus program.

Monthly electronic log Personal Conveyance (PC) Reporting:

Used to flag and correct excessive/improper use of PC

Monthly electronic log Violation Reporting:

Used to flag, coach, and correct log violations

Driver Performance Reviews:

Used to assess and coach drivers on specific issues/challenges noted from a variety of sources to include Key Performance Indicator (KPI) reporting, breakdown report feedback, Customers, on-the-road inspections, CSA, Dispatch, Safety & Compliance department, Driver Services, etc.

### Smith System Defensive Driving Program:

We've revitalized our efforts to fully integrate this time proven training process that is a recognized standard in the industry – Initially we'll be getting everyone trained with the goal of recertifying drivers annually.

### Monthly On-Line Infiniti Training:

Part of our on-going education efforts to help maintain awareness of the myriad of issues faced by drivers.

### Annual Comprehensive Performance Review (CPR):

Started in April 2013 – The concept: bring each driver in at least once a year for a thorough assessment that will include records/compliance review, renew medical card when necessary, evaluate current and projected training needs, assess productivity/identify barriers, inspect equipment, evaluate driving practices using ECM download data, discuss historical/open performance issues, etc. During the CPR drivers will be on the hourly pay clock.

### Speed Gauge reporting:

Tracks and reports driver speeding events based on legal speed limits. Very detailed, provides exact date/time/location/posted speed limit when the event occurred. This report is available daily but at this time, Leavitt's is running the report weekly and following up with drivers when frequency of speeding events warrant review & discussion. This is not an "I got you" drill; your behavior on the road in relationship to speed management is a statistically proven predictor to more serious events.

### Re-engineering of Leavitt's Orientation & In-Truck Training Program:

In progress/on-going - we are completely reviewing all aspects of our Orientation Curriculum & On-The-Job (OJT) training criteria to ensure we're providing industry leading entry level, refresher, and professional development training.

As you can see, we have a lot of initiatives/programs in place to ensure we, as a company, fulfill our due diligence obligation to you and the public. Our safety journey is a team effort. Step back and consider, if you were a senior leader here at Leavitt's, how would you address the ethical obligations of today's business, legal, and compliance environment? We welcome your thoughts & suggestions.

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## What's Happening

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### **SAFETY MEETINGS:**

April 13th

May 18th

June 8th

Safety Meetings start at 8:00 AM.  
Breakfast is served. If you are in the area, you are **expected** to attend.



Stay tuned to the next newsletter for pics of our Leavitt's team from the race!

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# Dash for the Cash

by Billy Dover

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We're starting our second year of the D4C mileage bonus program. To-date the program has produced great results with \$89,275 in 2012 bonuses earned. Eighteen drivers qualified for a bonus in all four quarters of 2012. In all, 75 drivers earned a D4C bonus at some point during the year. A superior effort on everyone's part! Top performers include:

First Name	Last Name	Remarks
STEVEN	WILSON	Qualified at 2 cent level all four quarters
RONALD	HANSON	Qualified at 2 cent level all four quarters
MICHAEL	CARTER	Qualified at 2 cent level all four quarters
LARRY	WOIDA	Qualified at 2 cent level all four quarters
RICHARD	MENDES	Qualified at 2 cent level all four quarters
RYAN	O'GRADY	Qualified at 2 cent level all four quarters
DAVID	BOYLE	Qualified at 2 cent level all four quarters
DAVID	ANKER	Qualified at 2 cent level all four quarters
PAUL	BAIRD	Qualified at 2 cent level all four quarters
JERRY	TAYLOR	Qualified at 1 or 2 cent level all four quarters
CASEY	SULLIVAN	Qualified at 1 or 2 cent level all four quarters
GLENN	MILLER	Qualified at 1 or 2 cent level all four quarters
EUGENE	POMLEE	Qualified at 1 or 2 cent level all four quarters
EUGENE	LYONS	Qualified at 1 or 2 cent level all four quarters
RODRICK	COTNER	Qualified at 1 or 2 cent level all four quarters
DEON	MEADOWS	Qualified at 1 or 2 cent level all four quarters
JOHN	FREGEAU	Qualified at 1 or 2 cent level all four quarters
MICHAEL	MCCUEN	Qualified at 1 or 2 cent level all four quarters
CLINTON	DERRY	Qualified at 1 or 2 cent level all four quarters

We interviewed some of the drivers who earned bonuses during all four quarters of 2012 – they all shared some common skills that enabled them to consistently hit mileage targets.

## ***BEST PRACTICES:***

### ◆ **Communication**

- Proactively stay in contact with dispatch
- Track and know where your miles are at in relationship to bonus periods
- Routinely discuss miles and your status pertaining to D4C mileage goals

### ◆ **Time Management**

- Stay in front of your log book
- Focus on getting off to a good start on Monday's delivery by leaving on time over the weekend
- When feasible/legal, be at load/unload locations the night before so you are ready for a full day's work first thing in the morning
- Avoid DOT breaks exceeding 10 hours or 34 hours for resets, unless there are extenuating circumstances
- Run hard early in the quarter to bank miles in the event of a slow week later

◆ **Minimize Down Time**

- Schedule truck maintenance/services during scheduled time off
- Ensure trucks are fully outfitted to accommodate the maximum range of potential products
- Arrive at load/unload locations at the earliest legal time to promote faster turn times and reduce layovers

**Recent Company Efforts to Improve D4C opportunities:**

- ⇒ The last two weeks of the 4th quarter were excluded, which include the Christmas/New Year holidays to prevent this traditionally slow freight period from unduly impacting weekly mileage averages over the 4th quarter
- ⇒ Updating Dispatch Standard Operating procedures to review driver’s last 7-days mileage when looking at preplan options
- ⇒ Periodic management follow-up with those drivers whose quarter-to-do mileage averages are insufficient to earn a D4C bonus. This effort is designed to help management understand the barriers drivers are experiencing.

You face a wide range of challenges every day that cannot be objectively factored into a bonus program of this nature. However, those challenges can be mitigated through following and applying the “Best Practices” of those who have demonstrated consistent success at meeting Leavitt’s minimum mileage goal of 2250 per week. All departments of the company are committed to helping you achieve these goals. As problems and issues are brought up we will work to solve them. Manage yourself well and you will enjoy the rewards.

If you do not understand the D4C mileage bonus program, contact Billy Dover (SR Risk Manager) or Duane Leavitt (Senior Vice President); we will assist you in understanding the program and developing a strategy to hit productivity targets.

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**Break  
Time!**

## HOW TO SET REARVIEW MIRRORS TO ELIMINATE BLIND SPOTS

It may surprise you to learn that there is a better way to set the rearview mirrors on your car. The quick test: if you look in your side mirrors and you see the side of the car, then you've got it wrong! This is the method recommended at most driving schools, including the BMW Performance Center in South Carolina. Essentially, most people have a huge overlap between the side and center rearview mirrors, which is unnecessary. By spreading your side mirrors you lose no information about what's behind you, but gain valuable insight into what's beside you.

*Give it at least a week after setting your mirrors this way. It will seem foreign at first but will soon become se-*

1. Lean your head over until it almost touches the driver's window, and then position the side mirror on the car's left side so you can just see the rear quarter panel (the rear of the car) in the mirror. Note this will have it positioned farther out than you probably had it before.
2. Lean your head to be just between the two front seats, at your normal height, and position the right side mirror so you can just see the rear quarter panel of the passenger side in the mirror.
3. Adjust the center rearview mirror to place it facing the center of the rear window.
4. While driving note that a car passing you begins in the center of your rearview mirror. As it approaches you, it moves to the side of your center rear view mirror, and at the same time appears in your side mirror. This shows you that there is no rear blind spot, because there is an overlap between the mirrors.
5. Also note that your side mirrors now capture

a tremendous additional amount of information about what is in the lanes immediately next to your car. Previously you would have to turn your head to ensure nothing was in the lanes beside your car before changing lanes. Now, your side mirrors do a much better job of covering this blind spot on the side.

### Tips

- Give it at least a week after setting your mirrors this way. It will seem foreign at first but soon will become second nature.
- Note that parallel parking becomes more difficult since you cannot see both your car and what's next to it in your side mirrors without moving your head.
- Constantly scanning your mirrors instead of just checking them when you want to change lanes or pass someone will help to prevent someone from "sneaking" up on you. Pairing this mirror setting method with constant scanning will allow you to be aware of those around you at all times.

### Warnings

- Don't adjust mirrors while driving.
- ALWAYS look over your shoulders before changing lanes! While this mirror method is very effective at reducing blind spots, one cannot depend on it to eliminate them. It is still possible for motorcycles, smaller cars, or even bicycles to hide in unexpected areas around your car.
- Looking over your shoulders gives you additional necessary information about the behavior of traffic around you that you can never get from mirrors no matter how well they are placed.

# Trucking - A Rough Road Ahead By Billy Dover

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The American Transportation Research Institute (ATRI) study “Critical Issues In the Trucking Industry – 2012” that was released in Oct 2012 does a superior job in identifying many of the major challenges facing the trucking industry today. These challenges will continue to influence how business is conducted for several years. The Top 2012 issues Include:

- Compliance, Safety, Accountability (CSA)
- Hours of Service
- Economy
- Driver Shortage
- Fuel Issues/Fuel Prices
- Electronic Onboard Recorder/Electronic Logging Mandate
- Driver Retention
- Truck Parking
- Driver Health and Wellness
- Congestion/Truck Bottlenecks
- Highway Infrastructure (Tie)
- Driver Distraction
- Tolling/Vehicle Mileage Taxes
- Tort Reform
- Independent Contractor Status



This study/report is rather large. I have a copy and anyone is welcome to stop by my office and review it at any time. Leavitt's faces all of these issues. In this article I'll be specifically addressing Driver Shortage / Driver Retention.

Driver Shortage / Driver Retention: This study projects industry wide driver shortages over the next two years at 100,000 – 200,000 drivers. With shortages of this nature it makes sense to retain the drivers you have. Industry turnover is at 100% plus a year in many truckload fleets. The turnover here at Leavitt's Freight Service over the last three years is 40%, significantly better than that faced by many carriers but still a challenge from a recruiting, safety, training, and growth perspective. Our retention efforts are focused on the competitiveness of our pay/benefit package, quality of life issues, devising ways to maximize miles while accommodating home time needs, etc. These challenges are compounded when you consider that industry wide 23.7% of truck drivers currently on the road are 55 years or older. The cost of turnover is staggering with some estimates putting turnover cost as high as \$12,000 per loss. Leavitt's focus: recruit the right drivers to start with, offer a competitive wage/benefit package, and treat drivers with respect. Historically, our turnover rates are significantly better than those experienced by our competition, however, we must continue to improve. Driver referrals are the best source of new recruits. You know what it takes to be successful at Leavitt's! Identify those who fit the Leavitt's model and get them in contact with Rick Johnson in Recruiting. Leavitt's offers a \$250 referral bonus to drivers paid when the new hire moves into a truck solo.

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## Trucking - A Rough Road Ahead (cont) By Billy Dover

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Let's cut that 40% turnover rate in half so we can re-invest those savings. It's a domino effect, reduced turnover equals improved (1) safety, (2) productivity, (3) customer satisfaction, & (4) reduced cost, etc. which translates to profitability, improved pay/benefits, and growth.

The other major issues while important are related to issues that are for the most part out of our control and we have to devise ways to mitigate their impact on our day-to-day operations. We can however control how we communicate and take care of one another. Help us continue to strengthen our already solid team.

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## 2013: The Year of Working Safely By Terry Leavitt

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As we leave the snow behind us and look forward to spring and summer I am aware that the company has many great projects and opportunities ahead of us. We continue to have strong demand for our services, we are growing our fleet of tractors and heavy haul tractors, and we have great staffing throughout the company.

With so much good going on I am hesitant to focus on one of our weaknesses. In order to remain strong, however, we must all work together to improve the areas that we are doing poorly in.

Over the past 3 years we have been trending poorly in our Workers Comp. area. We have had too many drivers get injured with too many of these injuries being very costly. We've been given the initial warning that our work comp insurance, which renews July 1<sup>st</sup>, may rise as much as 25-40% this year and most likely again next year. We currently pay over \$600,000/year for this coverage so the magnitude of the increase is a huge increase in costs.

***PLEASE take the time and focus to make every step of the loading and unloading process safe. DO NOT take any unnecessary risks.***

The owners and management review every injury claim. Most of all it's disturbing to see our drivers get injured. Some of these injuries are life changing including taking the ability to drive away from the employee. We are at a crisis point in needing to reduce and reverse our injury trend and each of you holds the key to changing it.

In the simplest of terms you must diligently work to manage the high risk tasks that you face every day. Almost all of these injuries occur when you are loading and unloading. PLEASE take the time and focus to make every step of the loading and unloading process safe. DO NOT take any unnecessary risks.

You will be hearing much about this situation this year. We will be meeting with each of you to discuss this issue as well as increasing the training and visibility to improving our safety record. We need each of you to bring every safety skill you have to bear on committing to working injury free. Safety is No Accident.



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# Health Zone - (provided Providence)

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## SPRING INTO ACTION: CREATE HEALTHY, FRESH MENUS

Spring is the time of year for new possibilities: Crocuses poke their heads above ground, running shoes and bicycles get dusted off, and a tempting array of fresh new fruits and veggies pull you out of your winter doldrums. Feel the warm sun on your face, shrug off your heavy winter coat, and rev up your resolve to feed your family ultra-fresh, ultra-healthy foods.

It's easy to incorporate good, healthy fruits and vegetables into your menus, especially this time of year. And as your family gets busy again with warmer weather activities, it's important to keep them healthy, fit and happy with delicious, nutritious food. Here are just a few examples of wonderful spring fruits and veggies.

- Spring onions, leeks, greens, peas and lettuce
- Apricots, cantaloupes, cherries, raspberries, rhubarb, nectarines and grapefruit
- Greens, beans, asparagus, fennel, garlic, Swiss chard, shallots and baby carrots

### Keep you and your family healthy

Eating more fruits and vegetables can help you maintain a healthy weight, reduce health risks and improve your energy throughout the day. During busy spring months, they also help keep you going and offer delicious, nutritious opportunities—every meal of the day. Still, most of us don't eat enough of them.

### How much is enough?

The U.S. dietary guidelines recommend these amounts of fruits and veggies:

- Kids and teens: 2-5 cups a day
- Adults: 2-6.5 cups a day (depending on age, gender, and activity level)



## Springtime meals for you and your family

The days are finally getting longer, you're heading outside for brisk walks, and you're ready to move beyond the warm, hearty winter soups and stews. It's time to fill up on fresh, light ingredients that create flavorful, easy meals for you and your family and friends. Here are just a few ideas for healthy springtime meals filled with nutritious fruits and veggies:

- Grilled salmon topped with fresh fennel and a side of steamed baby carrots
- Shrimp or chicken stir-fried with bok choy, snap peas and pearl onions
  - Warm asparagus soup, chunky whole-grain rolls, and fresh nectarines and cherries
  - Tortilla or pita wraps stuffed with broiled chicken, cilantro, crunchy greens and carrots
  - Spinach and chickpea casseroles served with basmati rice and mushrooms
  - Pasta primavera with spring peas and asparagus, accompanied by warm beet salad

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## Recruiting Corner - By Rick Johnson

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First I would like to take this opportunity to say thank you to the drivers who have referred their friends and other drivers to Leavitt's. We are now looking to expand our fleet again and we need your help. Leavitt's is still offering a referral bonus of 250.00 to you, the driver once the applicant is hired. We are in need of flatbed drivers for our SE OPS as well as the West Coast. Some of you have asked about business cards with the company name and information on them. We are working on that and will let you know when they are available. Just remember to make sure the driver you refer gives us your name or truck number so we can give you the credit you deserve. Thank You all for your efforts and hard work each and every day

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# The Mechanics of it All by Don Prater

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## TRANSMISSION FAILURES

### RESULTING FROM SHIFTING WITHOUT USING THE CLUTCH

We have recently experienced several costly & preventable transmission input shafts failures related to shifting without using the clutch.

Today's High-Torque/Low-RPM engines produce and send torsional vibrations throughout the drive train which can be very damaging to the transmission and rear-ends.

The Torsion Springs in the clutch disc are designed to absorb these torsional vibrations preventing damage to the drive-train components.

The trucks Operating Manual instruct drivers to use the clutch while shifting gears to relieve stresses to the transmissions input shaft caused by these torsional vibrations. When the clutch is NOT used during shifting the clutch plates gradually slip and load one side of their torsion springs. When that happens the springs are ineffective in absorbing the vibrations generated by the engine. This situation will, over time, cause metal fatigue in the input shaft and result in its failure.



These failures are not a warranty issue as the operating instructions are clear that the operator of the equipment should use the clutch while shifting gears.

**SOLUTION:** For those of you who shift without using the clutch, it is important that after each series of shifts, (when you arrive in the gear you are going to stay in for awhile), disengage then reengage the clutch to equalize the pressures of the torsion springs.

When you depress the clutch pedal while shifting, the out-of-balance tension on the clutch springs is relieved allowing them to return to a centered position and function properly.

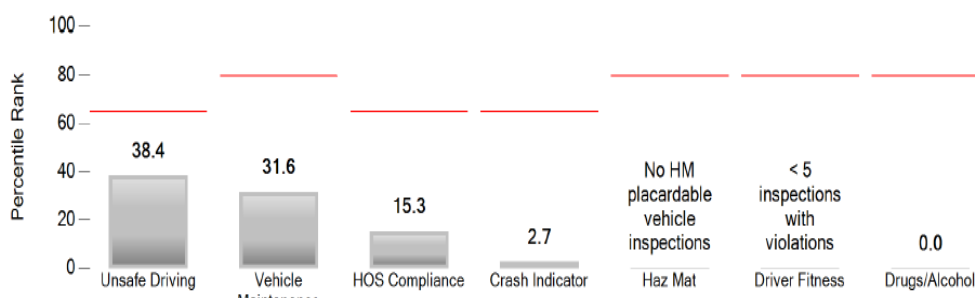
It's easy to take for granted today's trucks and components. Although they are sophisticated & complicated they are also very reliable. It is, however, important to understand how they are designed so you can do your part in operating it correctly. Following this simple procedure will help us avoid this type of costly non-warranted repair as well as the downtime on the road for you.

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## CSA Score

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### BASIC Categories



### Non-OOS Violations

