



BUCHANAN'S QUARTERLY REPORT

JAN - MAR 2012

Volume 6

FROM THE FRONT OFFICE

The end of a year is always a time of reflection on the past and anticipation for the future. As we close 2011, we can look back on the year as one of improvement and continued growth, even despite the challenges to business operations sustained over the last three difficult years. We can acknowledge that we have survived well. Although I anticipate there will yet be economic challenges ahead, I have hope and confidence in our ability to continually improve as we move into a New Year.

As we look to 2012, there are at least four primary goals we should all consider:

1. Safety –The safety of our drivers is always of primary concern. Assuring they arrive safely and on-time at their destinations, along with their loads, is critical to our overall performance.

2. Service –Our goals should be to improve the value of our service to our customers to the point that they retain us as their transportation partner of choice and give us additional opportunities to grow their business.

3. Efficiency – Two years ago Geary Buchanan and Safety asked us to tighten our belts and find ways to contain our costs. Much of the credit for our ability to weather the economic storms of the past few years can be attributed to that effort. While the economic storms seem to be clearing, we still need to contain our costs and operate more efficiently.

4. Relationships – Our drivers are our most important asset. I encourage us all to see our Drivers and Independent Contractors as valuable members of our team; Be more helpful, considerate and caring towards them.

As I look to the future, I see many exciting opportunities and prospects. The New Year gives us a chance to recommit ourselves to advancing our culture of excellence, persistently working hard and safe and continuing to enhance our excellent reputation, both in the industry and the communities where we operate.

Thank you for all you have done, and all you will do in the future to continue to move the company forward.



SAFETY NEWS

CELL PHONE REGULATIONS

Effective January 2, 2012

Hand held phones cannot be used by an operator of a commercial vehicle while it is moving! This is true in any state, at any time after January 3, 2012. Potential fines for the operator of a commercial vehicle or bus using a hand held phone while driving is \$2,750. **This violation will also be classified as a “serious traffic violation” and subject to a 60 day disqualification of an operator’s CDL upon the second conviction of any serious violation within 3 years.**

Commercial truck and bus companies that allow their drivers to use handheld cell phones while driving will face a maximum penalty of \$11,000 as well.

All communication with moving commercial vehicles needs to be focused on safety first. This means that if a truck is moving any phone communication by the trucks operator must be on a hands free device. If it is determined that the operator is driving and not on a hands free device any conversations must be stopped immediately. The conversation can only resume after the truck has stopped at a safe location. Every employee of Buchanan Hauling & Rigging, Inc. shall be made aware of and needs to fully understand this policy. Failure to abide by this policy will result in appropriate action up to and potentially including termination. **Safety must come first.**

“LIFE DID NOT BEGIN BY ACCIDENT. DON’T LET IT END AS ONE.”

OTHER NEWS

WHAT A GREAT IDEA CAMPAIGN

Employees, Drivers, Owner Operators Need Your Input

The “**WHAT A GREAT IDEA CAMPAIGN**” is designed to focus on specific improvement opportunities. Employees are asked to submit ideas on one or more of these areas: Cost reduction, Continuous improvement, Problem identification, Customer retention and satisfaction, New product and service generation, and Safety improvement.

The “**WHAT A GREAT IDEA CAMPAIGN**” emphasizes one principle -- focus on your job and look for as many improvements as possible. By doing this, you accomplish three things:

1. You allow everyone to get involved and thereby create a receptive atmosphere for change, innovation, and continuous improvement.
2. You open communication channels, build trust and identify opportunities for changes for the better
3. The ideas motivate and energize larger ideas with greater impact.

Ideas that are implemented will earn a reward, so it is important that you provide your name, **however**, if you wish to remain anonymous that is fine too. You can email me your ideas / suggestions. If you email it to dlee@buchananhauling.com, your name will be removed from the email, prior to anyone seeing it; unless you what to be known.

We will review ideas weekly, so please take the time to fill out the sheets /Email and express your thoughts and ideas that will help Buchanan Hauling and Rigging to continue to improve and grow. The Sheets to fill-out and box (to put them in) is set-up in the Drivers Lounge, next to the Microwave.

****** Great News for Owner Operators** – After much debate about Fuel Discounts, Buchanan Hauling & Rigging, Inc is excited to let you know, we have heard you. Beginning 2012, we have been able to negotiate fuel discounts at certain fuel stops. The participating fuel stops are T/A. Pilot and Love’s. The actual discounts will either be “RETAIL MINUS” or “COST PLUS depending on current fuel prices and location of fuel stops.****



DRIVER RETENTION & RECRUITING NEWS

Thank you

I wanted to take a minute to thank everyone for your help in finding quality people to work with us. One third of the applications we receive are from people who have talked to a Buchanan Hauling & Rigging Driver, Agent, and employee. Although we may not always be able to bring on everyone, your help finding them is greatly appreciated. Business seems to be picking up and with your help we can grow the fleet to match the increased demand. Perhaps in time we can be back over 300 trucks with business to spare.

WE NEED DRIVERS - Experienced commercial truck drivers are benefiting from this buyer's market as it gives them the luxury to comparison shop. Many commercial truck drivers sample several companies per year looking for a better deal. They know that companies are competing for their talent and they can leave their job for greener pastures and return without being penalized if the new job does not represent the opportunity that they expected.

Look at your revenue on a monthly bases , Break it down by average \$ amount by Truck / Load. So, if your referred 2 or 3 names to the Recruiting Department a month. Get at least one of the Referrals to Qualify and sign on, that's another \$1000 (Referral Bonus) to your monthly revenue. Then add the Monthly average revenue by Truck / Load to your monthly average.

*What do you see in your Monthly revenue?.....**MORE \$\$\$ IN YOUR POCKET***

Example - Monthly Revenue average is (5 trucks) ... \$60,000 (one truck averages \$12,000 a month)

One Referral that's Hired	\$1000
With a New Truck / More Loads	<u>\$12,000</u>
YOUR MONTHLY REVENUE	\$73,000

In addition to the \$1000 Driver Referral Bonus Program, The Recruiting Department is also going to give out a \$50 Gift Card of your choice (Wal-Mart, Pilot, Truck Pro, Sears, or a place to eat of your choice). You will receive the gift card two weeks after first Dispatch (same rules as the Driver Referral Bonus).

Driver Recognition Program

My apologies to the Owner Operators, Company Drivers and Lease Purchase Drivers that have been with the Company for more then 1 year (plus) for letting the Recognition of the Drivers for **Length of Service** fall off the table. Drivers will be awarded for dedicated years of employment with us for 1yr and 2 yrs. You will receive a Shirt for 1yr and Jacket for 2 yrs of Service. If you have been here for the length of time and have not received a shirt or jacket yet, please call the recruiting department at 260-471-1877 ext 2130 or 2125.

Recruiting Department