

4TH QUARTER 2017 NEWSLETTER

TRUCKMEN



The Traveling Cubicle...

By Debbie Venable
venabled@truckmen.com

North Pole Warehouse?

My five year old grandson recently asked me if they have a big warehouse like Truckmen at the North Pole. How do they know who gets what toy? And how do they get all the toys loaded? And how do they all get delivered? After all, that sleigh is only so big! He is getting to the age where the whole Santa story just doesn't seem to sound right and of course, his older brother is more than happy to tease him. In the interest of keeping this little guy on the Santa train for at least another season, I attempted to explain how operations might work at the North Pole Warehouse based on what we do at Truckmen.

We have Bruce (General Manager) out there in the role of Santa visiting customers to take down their wish lists and assuring them all is well. Meanwhile back at the warehouse, loads of supplies and finished products are being received in by the warehouse elves (Sorry, Dennis, Mike, Tom & Robert...) driving around on their tow motors. And like Santa's sleigh there are times they aren't sure if we can squeeze in one more thing. But just like at the North Pole, it magically works out! As for the right items to the right party, I assured him that Santa would

have other elves like Denise, Brooke, and Bonnie to take the requests and get the shipment just right so no one would be disappointed when they opened their package. As for all the deliveries, I did let him in on the adult secret that Santa does get some help. Santa stations big trucks loaded with presents all over so he can just touch down and reload. Just like our warehouse elves load up Truckmen trucks to deliver those customer wish lists. He seemed to think this all made sense but he still had one more question.

"So what do you do, Grandma?" Well honey, I guess I would be like the Elf on the Shelf. "What, Grandma???" You see the warehouse crew never knows where or when I am going to pop up in the warehouse while I am working on customer issues. For those of you without small children, the Elf on the Shelf is the modern day "Santa's Helper". It is a small elf doll that gets placed all over the house to keep an eye on the family and keep Santa posted on who has been naughty and nice.

On Facebook the other day I did see a Mother found a clever way to get the Elf on the Shelf out of her house. She had Santa write a letter to her daughters explaining it was time for their Elf on the Shelf to retire. Hmmm.....

Christmas gift suggestions: To your enemy, forgiveness. To an opponent, tolerance. To a friend, your heart. To a customer, service. To all, charity. To every child, a good example. To yourself, respect.

— (Oren Arnold)

CABOVER OFFICE

By Jeff Jenks
jenksjeff@truckmen.com

It seems like every quarter as I write these yet another potentially world altering advance in technology takes place! This quarter is no different. If the claims made by Elon Musk about Tesla's new all electric class 8 tractor at their 11/17/17 roll out are anywhere near accurate, the bar for zero emission class 8 tractors has definitely been raised!

I was blown away by Nikola's introduction of the Nikola One with its Hydrogen/Electric zero emission platform, but to quote Mr. Musk his vehicle will "blow your mind clear out of your skull and into an alternate dimension!"

That's quite a statement from a guy that sends rockets into space and just introduced what might be the fastest production car in the world. (Can you imagine an 8.8 second quarter mile or a top speed of 250 mph in a vehicle that makes about as much noise as a sail boat?) But, I think he might be right and apparently Walmart and JB Hunt agree because, according to Tesla, they've already placed orders!

Unlike most of the "Hybrids" in production (or development) today, the only fuel you need for this truck is a plug and you can travel 500 miles before you need to use it! Not only is that distance amazing but with Tesla's new "Megacharger" a driver won't need any longer than his mandatory 30-minute break to

charge up for another 400 miles!

The truck looks like the nose of a Lear jet with the driver sitting front and center and able to see the road right below him. As you can imagine the electronics are world class and include an "autonomous" assist.

Some of the "mind blowing" specs on the Tesla tractor include somewhere near 1,000 horse power from four electric drive motors, one on each drive wheel (about half the horse power Nikola claimed with six motors, but still more than twice the average diesel out there). The result is performance I can't even imagine! I'm guessing it would now take me a little over three minutes to shift through my ten speeds and attain 60 mph on flat ground fully loaded with 80,000 lbs. The Tesla will achieve 60 mph at 80,000 lbs in 20 seconds! Or, if you happen to be empty you can drag race the average pickup truck with 0-60 in 5 second performance! My loaded 400 hp diesel will pull a 5% grade at about 25 mph while the Tesla will cruise up that mountain at 65!

All this with zero emissions, meaning no smoke, no smell and not enough noise to wake up the baby! If Mr. Musk actually puts these things on the road by 2019 as he claims the "Hybrid" boys could be extinct before they build the first truck!

Stay tuned for the next exciting development in the wide world of logistics and in the meantime, let's hope no one has re-invented the turkey!

Happy holidays and safe travels!



LETTER FROM THE EDITOR

By Julie Lefelhoc
lefelhocj@truckmen.com

In our business, usually things start to slow down a little just before Thanksgiving and stay somewhat flat through January and February. We hope we've packed enough acorns in before winter hits to make it though the year without starving like chipmunks! Things seem to have changed that way. Since our warehouse business has become a greater chunk of our revenue stream and our fleet is handling more local work, the ups and downs of years past have flat lined a little. This is good news, of course! A little more predictability is welcome and maybe we don't have to store so many acorns going forward.

As far as holiday seasons go though, I think maybe I'm used

to a little more of a breather at work just as the things outside of work start to get busier- Thanksgiving feasts, Christmas shopping, holiday parties, etc. That's not happening this year. We always have insurance renewals and end of year tax and payroll items to handle, but this year we've also added new warehouse software, new electronic onboard recorders for the drivers to have electronic logs and vehicle tracking, and we seem to keep adding new warehouse customers. Whew! It's quite an end to the year. And I stupidly planned a vacation right around Christmas, so that isn't helping anything.

To be fair, I am not the one that is handling all the details of these things- far from it! I want to give some recognition to Brooke Jewell for tackling the onboard recorder project. She dove right in and started training drivers and trouble-shooting problems (of which there have been more than we would have liked) and I think we're on the verge of going from install mode

to maintenance mode here soon. Good job, Brooke!

Debbie Venable may have scaled back her hours a little, but she certainly hasn't scaled back her involvement in so many key things around here. Debbie has been figuring out our new warehouse software and getting us up and running on that while also handling all her safety and HR functions. Big thanks to Deb for all her dedication and commitment to seeing things through around here and keeping Bruce and I out of trouble (mostly)!

And as they say, it takes a village! To support and free up Brooke and Debbie for these two big projects, all the office and warehouse staff here at Truckmen have stepped up to lend a hand. I'd like to take a second to name the rest of the office staff who make things look a lot easier than I know they are - John Tressler our Operations Manager (and logistics problem solver), Brett Fleischmann in Business Development, and Bonnie Castrilla our A/R and A/P Manager (who is stepping up to help cover me on vacation- Thanks, Bonnie!) And finally, our warehouse staff who is constantly being challenged these days

and always figures out a way to get the job done- Dennis Wise our Warehouse Supervisor, Denise Pawlowski in Warehouse Inventory Control, Tom Blasko and Robert Johnson our forklift operators and Mike Minman our forklift operator and back up local driver. And I can't forget Bruce Oatman (because we always do- sorry Bruce) who probably hasn't done the same thing two days in a row since he got here 13 years ago and helps out in about 5 different departments!

If I add up the total years worked at Truckmen for just the 11 people that I mentioned in the last 3 paragraphs, it comes to over 60 years! We are very thankful for the experience we can offer.

It's been a busy year with plenty of changes and I think we'll be headed right into 2018 with some more to keep us busy. Thanks to the whole Truckmen team for all your hard work and support, including the shop office staff, mechanics and drivers who I do not have room to name this time, but are equally as important for our success. You are very appreciated! Happy holidays to all and to all a great 2018!

GM's CORNER

By Bruce A. Fleischmann
fleischmannb@truckmen.com

When Less Is More?!

In the 2nd quarter I wrote about Amazon's testing of "Flying Airship Warehouses" and how crazy that concept would be. And although I still cannot seem to wrap my simple mind around that as a viable distribution possibility, nothing Amazon does or is planning to do will really surprise anyone! Earlier this year they announced that they had purchased two northeast Ohio malls and are going to build two new massive Amazon Fulfillment Centers for direct shipping to their ever-growing base of millions and millions of online shoppers. The press release in September came immediately after they had privately closed on both the Randall Park Mall in North Randall, and the long dormant Euclid Mall in Euclid.

Amazon is aggressively working 24/7 to completely tear down the massive Randall Park Mall. I needed to see it firsthand after having read the article to try and better understand exactly what was going on. One day, Brett and I made a little side trip there while out on calls and I am here to tell you that I have never, ever seen such a massive demolition and earth moving project up close. Imagine buying about 50-75 kids Tonka excavators, bull dozers and frontend loaders, placing them on a dirt baseball infield and then somehow electrifying them all so they were roaring in sync. Don't forget the diesel fumes! It was totally crazy looking! I could only take a step back and think about what it must have been like to blow up those mountains in Nevada and begin building the Hoover Dam, albeit without today's giant earth moving machinery!

Unlike North Randall, the Euclid Mall will not be torn down as I understand it, but its 650,000sf will be retro-fitted into a 1.7 million square foot, three-story fulfillment center employing over 1,000 when fully up and running. The North Randall DC will be around 1.1 million square feet, so a combined 2.8 million square feet of distribution frenzy!

It was around this same period that our website started to get a few hits with inquiries from Amazon sellers about the warehousing and distribution services that we provide. As they trickled in at first, I just set them aside really not sure how to respond or if we even should? By about the fifth inquiry or so I thought we had better look into it. We have long marketed our great location here in Geneva as being at the center of a roughly 600-mile radius that is within one day's transport to 60% of the North American market place, or about 200 million consumers.

In business school they often used (drilled into us actually) such basic idioms as "Location, location, location", or "Don't count your chickens before they're hatched", or "You can't have your cake and eat it too"! You know, as I think of it now our folks used some of that same old crap on us too, huh? Now as we march closer to the New Year we are further diversifying our warehousing and distribution operations by launching a multichannel, "upline" fulfillment and storage option for Amazon and all other online retailers. We will provide them with a wide range of consumer product fulfillment and Prep-N-Ship services, thus tapping into the exploding network of online retailers.

So, umm well, I guess we're actually adding more baby chicks to the old distribution coop, so that they can possibly grow into lots of online chickens to sell so that we can buy some cake and eat it too at what we believe to be a perfect location? Hmm, are you confused?!

SHOP NEWS

By Melissa Jewell
jewellm@truckmen.com

Originally this news letter was going to be about the differences in the trucking industry delivering Christmas presents 100 years ago versus today. But, while researching, I stumbled onto this article on CNN by AJ Willingham that changed my mind about what I wanted to write.

You never really know how truly blessed you are until you are reminded to be thankful for every day you have on this earth. Life is hard, yet so wonderful. In the darkest times we are constantly shown the light that shines so brightly in all who are around us, from our most devoted to a stranger that just wants the pain to end, even if it is just for a short while.

On November 19th, Jacob Thompson of Portland, Maine, at nine years old lost his battle to neuroblastoma cancer, but not before he won the hearts of people from across the world. All joined in to make his last Christmas unforgettable when gifts, thousands of cards (with some featuring his favorite animal—penguins), and Facebook messages poured in to make Jacob's Christmas the best ever. Jacob, your typical boy for his age, loved Minecraft, Legos, and was a huge Star Wars fan.

To make the most of the time he had left, his family celebrated Christmas early. Jacob asked people from all over the world to send him Christmas cards to help make his last holiday special. Jacob's father said that "Jacob was excited to see what people had to say in the cards they sent, and it brightened his day." Jacob also had some celebrity admirers like Arnold Schwarzenegger, who made him a card. Also, members of the University of Maine hockey team and various local law enforcement organizations visited him in the hospital. The news

article showed a procession of safety forces vehicles lining the street in Jacob's honor. Jacob's family thanked everyone for their kindness and said they hope his story raises awareness of neuroblastoma, which commonly affects young children. Jacob's family expressed that each and every person who sent Jacob a Christmas card, gift, video message, or prayer made a difference in the final days of his life. The family wrote on Jacob's Facebook page, "You brought Jacob joy, and you brought us all optimism for the future. Thank you for taking the time, and taking an interest in our sweet boy's journey."

As I read this article, I thought about how brave this young boy must have been, how awesome that in his final days he experienced more joy and love than most do in a life time due to people who are genuinely good, how we all can learn from Jacob's wonderful life and how he will spend his first Christmas with his Lord and Savior, the best Christmas gift of all.

I suppose I could have written about 50 other topics, but I fell in love with this little smile and wanted to share his story which should bring profound perspective to all who read it. This is the season we usually take the time to reflect on the year and what we have accomplished. I know that because of pure LOVE, happiness was accomplished for Jacob, and any that shared a part in his journey felt a sense of purpose to their year as well.

From the bottom of my heart I wish you all LOVE, and HAPPINESS this Christmas season and a safe and healthy New Year.



2ND QUARTER 2017 SAFETY BONUS AWARD WINNERS



Front row: Chick Hobson, Bill Thompson, Ron Kehm

Back row: Nelson Hejduk, Dave Baker, Rich Madarena, Dan Johnson, Mark Currier, Walt Asuma, Bobby Wurm, Darren Sharkey, Rick Akers, Mike Minman

Not pictured: Leroy Campbell, Brad Hall, Danny Hazeltine, Tom Rickard, Ken Call, John Phillips