

Cool Moves

A Corporate History of Erb Transport and the Erb Group of Companies



Erb

By Dr. Ulrich Frisse, LL.M.

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Table of Contents

Introduction , Ian Tilley, C.A.....	V
Preface , Vernon Erb, Chairman, The Erb Group of Companies.....	VII
President’s Message , Wendell Erb, President and CEO, The Erb Group of Companies.....	XI
Chapter 1: Vernon Erb – Childhood and Youth.....	1
Chapter 2: A Dream is Born – Becoming a Trucker and Laying the Foundations of Erb Transport (1950’s and 1960’s).....	17
Chapter 3: The Breakthrough Years – Erb in the 1970’s.....	51
Chapter 4: Opportunities and Challenges – Erb in the 1980’s.....	77
Chapter 5: “Be Successful through Change” – The Erb Group in the 1990’s.....	99
Chapter 6: The Dawn of a New Era – The Erb Group of Companies since 2000.....	111
Chapter 7: The Erb Group of Companies.....	135
Chapter 8: Vernon Erb and the Erb Culture.....	193
Chapter 9: Family Entrepreneurship.....	209
Chapter 10: Erb in the Community.....	227
Chapter 11: Vernon’s Retirement, <i>The Erb Group</i> Today, and Outlook into the Future.....	241

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Introduction

More than 25 years ago, I made a “cold call” on Vernon Erb in an effort to interest him in a client which, like *Erb Transport Ltd.*, was a dedicated service for refrigerated freight. As it turned out, the initial purpose for my visit went nowhere. However, it quickly became clear from the ensuing conversation that we shared values in life, relationships and business in general. That discussion commenced a relationship between Vernon, Viola, the Erb Family, myself and our accounting firm *Martin, Tilley and Co*, which endures to this day.

After being hired by Vernon in an advisory role, I became involved in a number of areas at *Erb Transport*, such as upgrading computer-generated accounting, developing profit-centered financial reporting, assisting with executive job descriptions, joining the initial Board of Directors, ensuring financial capacity during the heavy growth period of the 1980's, assisting with *Erb's* employee gain-sharing program and initiating and supervising the audit function at head office.

From my earliest involvement with *Erb Transport*, it was clear to me that Vernon and Viola were a team in managing the company. Clearly, each one of them played a vital role and provided their own perspective in its organization and growth. As *Erb Transport* developed from that first dump truck Vernon had operated in the 1960's into a leading carrier of refrigerated freight, Vernon's initial vision of transportation as a vocation kept growing as well. His unique ability to identify opportunities and to attract like-minded people who shared his values and vision for the company, were vital to the *Erb Group's* success. It allowed *Erb* to expand its operating territory across Canada and into the U.S. and to develop long-term relationships with new shippers, resulting in an ever-increasing volume of freight. Under Vernon's guidance, *Erb* transformed itself into *The Erb Group of Companies*.



The main message behind *Cool Moves: A History of Erb Transport and the Erb Group of Companies* is that it is not only possible, but preferable, as well as conducive to long-term economic success, to engage in value-based entrepreneurship built on biblical principles. Vernon's entrepreneurial story exemplifies the practical relevance of that particular leadership model, as it is defined through staying true to one's roots, practising integrity in business practices, valuing relationships and family, understanding the necessity of sound planning and hard work and leading by example at all times. In building a successful company, Vernon benefitted from the shared work ethics of early team members whose faith-based Mennonite background and experience was similar to his own; together they laid the foundations of a company culture that embraces hard work, loyalty, and commitment to service. Combined with Vernon's belief in people and his great dedication to letting associates develop within the company, this has created a bond that is tangible across the entire *Erb Group of Companies*. In view of Vernon's trust in people and their unique abilities, it is not surprising that most leadership, executive and supervisory roles within the *Erb Group* are filled by former drivers who grew with the company over the years.

In spite of its size of over 1,300 employees and 1,900 pieces of equipment, *The Erb Group of Companies* continues to be a family-owned and family-operated transportation enterprise. It is particularly notable that size and corresponding corporate structures have not diminished the "family feel" of the organization. Wendell Erb's role as a second-generation business leader not only provides continuity in family entrepreneurship, but further ensures that those very same values and entrepreneurial imperatives that enabled his father to build a hugely successful business will continue to shape relationships and operational processes at *The Erb Group of Companies* in the years to come.

Ian Tilley, C.A., November, 2012

Preface

When I started *Vernon Erb Trucking* with one dump truck back in 1959, I would have never thought that today, over fifty years later, that little trucking business would be a transportation service provider with over 1,300 employees, more than 1,900 pieces of equipment and a terminal network of 10 terminals and 3 smaller sub-terminals across Canada and in the U.S. When I look back over five decades in the trucking industry, what stands out to me the most are wonderful people and relationships. I am particularly grateful to all those who, in their roles as employees, customers, suppliers, and in many other capacities, have contributed to the *Erb* story and to our long-term success. I feel truly blessed for having been able to live out my passion for trucking and for turning my childhood dream of owning a trucking company into reality.

I still feel a great deal of surprise when reflecting on the evolution of our company over the course of more than half a century. Initially, in 1959, I was the owner operator of one dump truck, hauling gravel for the construction of Highway 19. From there, we found a key niche in 1965 when we bought our first reefer – the start of our refrigerated fleet. Another key milestone was the purchase of an unrestricted PCV licence in 1970 that allowed us to carry refrigerated goods in and out of any location in Ontario – "a dynamite licence", as my first employer and mentor Don Sindall called it at the time. With that license and our specialization in Less-than-truckload (LTL) and Direct Store delivery (DSD) services, we were able to grow alongside our valued customers and, in the process, establish a network of refrigerated terminals.

Family was important to me from the earliest days of the business. Against that background, my wife Viola and I feel truly blessed with the way our oldest son, Wendell, is leading the company as a second-



generation family business today. We also deeply appreciate the fact that our daughter Karen and our son Darryl, as well as many other family members, including several of our grandchildren, are also involved in the company in various roles and capacities. Together with the *Erb* community of dedicated employees, many of whom have been with us for over 25 years, they ensure that the *Erb Group* continues to be built on the same values that have been at the heart of "doing things the *Erb* way" during my time of leading the company.

Vernon Erb, Chairman of *The Erb Group of Companies*,
November, 2012

President's Message

Today, *The Erb Group of Companies* is looking back at a history of more than five decades. Throughout half a century, *Erb* has seen many changes:

We have witnessed changes in technology, as trucks and other equipment has become ever-more efficient;

There have been significant changes in the way we operate, as the trucking industry went from being a highly regulated industry through the process of deregulation;

We have further experienced great changes in the size and structure of our company, as *Erb* developed from one man and a dump truck into a *Group of Companies* that services customers across Canada and in the United States.

It goes without saying that operating a company of the size of *Erb* today is different from the time when I joined the business full-time in 1980. Back then, the U.S. division was in its infancy. Most of our terminals were not built yet; and those that were in existence already, operated out of smaller, and usually much more basic facilities. We have seen it all: periods of exponential growth and years that were challenging, to say the least. Looking back, it has been an exciting journey overall.

As a second-generation business leader, I am grateful to the many people who have been part of our story and have shaped the unique *Erb* culture throughout the years. Without them, we would not have been able to become a leader in the Canadian trucking industry. Our gratitude goes to our employees, customers, and suppliers alike.

I am further grateful for my parents' strong values and their vision for our company. It is no coincidence, but rather a reflection of her important



role over the years, that our *Cool Moves* slogan which is found on every *Erb* trailer and in the title of this celebration of our history, was devised by my mother, Viola Erb. Together with many long-time team members, my parents laid rock solid foundations which continue to allow me to carry on my Dad's legacy in my current role as CEO and president of *The Erb Group of Companies* in the second generation. In spite of its size, *The Erb Group* has remained a family business to this very day and it fills me with great joy that my siblings Karen and Darryl, several of our children, as well as our uncle Ed and many cousins are involved in the company.

For over five decades, the name *Erb* has been synonymous in the transportation industry with integrity, great service, long-term relationships, as well as a sense of family and community across the entire organization. It is my commitment to stay true to our roots, as established by my father Vernon Erb, in the years to come.

Wendell Erb, President and CEO, *The Erb Group of Companies*, November 2012



Vernon Erb
Childhood and Youth

CHAPTER 1



The Erb children L to R: Vera and Vernon in the back; Erma and Ed in the front.

The Erb Family

Vernon Erb was born on October 24, 1935, to Samuel L. (Sam) Erb and Lydia Erb, nee Wagler. The second-oldest of four children, he grew up on a farm in a rural Amish Mennonite community located in Wellesley Township in Southwestern Ontario, about four miles outside the village of Wellesley. Vernon's father, Sam Erb, operated a mixed farm with dairy cattle, hogs, chickens and about five acres of fruit trees and apple orchards. At 100 acres, the Erb farm was a typical example of a family-operated farm at the time. To Vernon's father, his purebred Holsteins and apple orchards, in particular, were sources of enjoyment and pride.



The Erb family farm.

Deeply rooted in the local community, the Erbs were a closely-knit family. From early on, Vernon and his siblings developed a close relationship with one another, which they have maintained to this present day: Vernon's older sister Vera was born in 1932, his brother Edmund in 1940, and their younger sister Erma in 1943. Further, with many Erb relatives living in the Wellesley, Millbank, and Milverton areas, Vernon was able to cultivate close relationships with his cousins. While the children were growing up, hardly a single Sunday went by without the Erbs either visiting family and friends, or welcoming them into their home. Those regular get-togethers for Sunday meals and shared time were an important part of family life for the Erbs, and Vernon always looked forward to visiting and playing with his cousins.

History of the Township of Wellesley

Founded in the 1840's, Wellesley Township was named after the eldest brother of the Duke of Wellington, Richard Wellesley. The most north-westerly township in Waterloo Region, Wellesley Township extends to Wellington County in the north, Perth County in the west, and borders the Township of Wilmot in the south and Woolwich in the east. The first local families had their origins in Germany (including the Alsace-Lorraine), Switzerland, France, Scotland, Ireland, England, the United States and Canada. From its earliest days, the township and its cultural roots were shaped by residents of German origin, as German Catholics, German Lutherans and German-speaking Amish Mennonite families moved to the area and settled side by side. Well into the 20th century, German was the language most commonly used at home, at church and in day-to-day conversations among Wellesley Township residents.

Throughout the 1840's, small settlements emerged in the area, including the village of Wellesley, originally named Schmidtsville, after a certain John Schmidt who had developed a dam site where the town is located today. In 1837, the township was home to 63 inhabitants, and by 1850, the population had swelled to 3,396 people. At the time of the 1901 census, Wellesley Township had a population of 5,051, and the village of Wellesley had developed into a self-sustaining community with a flour mill, a saw mill, a knitting factory, flax mills, a foundry that produced all kinds of agricultural implements, carriage works, etc. Agriculture was at the heart of the local economy right from the beginning with farms scattered around the area. Mixed farming was typical of Wellesley township farms from the earliest days: local farmers cultivated crops and produce including wheat, oats, peas, corn, potatoes, turnips, beans, flax seed, as well as producing butter and home-made cheese, apples and maple sugar. (For the history of Wellesley Township see Steward, Barbara J.; Phyllis Leleu Kitchen; Debbie Dietrich, eds. *The Maple Leaf Journal: A Settlement History of Wellesley Township*. Wellesley,



Queen and William Streets in Wellesley, circa 1920, Courtesy of the Waterloo Region Museum (985.050.126).



Wellesley, Queen's Bush, looking west, Courtesy of Wellesley Township Heritage and Historical Society (08-24-02).



Panorama of the town of Wellesley, Courtesy of Wellesley Township Heritage and Historical Society (08-48-01).

ON: The Corporation of The Township of Wellesley, 1983, p. 7. Also see Hayes, Geoffrey. *Waterloo County: An Illustrated History*. Kitchener, ON: Waterloo Historical Society, 1997, p. 41).

Vernon Erb was born into an Amish Mennonite family. Originating in the Alsace Loraine, Germany and Switzerland, the Amish Mennonites had come to Southwestern Ontario in 1820. When they arrived in Canada, they brought their unique language – Pennsylvania Dutch – with them. Although the Mennonite and Amish communities in the Wellesley area remained somewhat separate, their distinct culture and use of Pennsylvania Dutch as their main language was ever present. During the 1930's and 40's, while Vernon and his siblings were growing up, almost everybody in the Township of Wellesley spoke Pennsylvania Dutch, no matter whether they were Mennonite, Amish, Catholic, or Lutheran. The only exception to this was a number of Presbyterian families. Vernon remembers his childhood days: "If you walked into the hardware store in town that was owned by a Catholic family, they would be speaking Pennsylvania Dutch, just like the Mennonites, Amish and Lutherans." Pennsylvania Dutch was Vernon's first language as well, and to this day he enjoys speaking it when given the opportunity.



Wellesley Farm buildings around 1920, Courtesy of the Waterloo Region Museum (985.050.020).



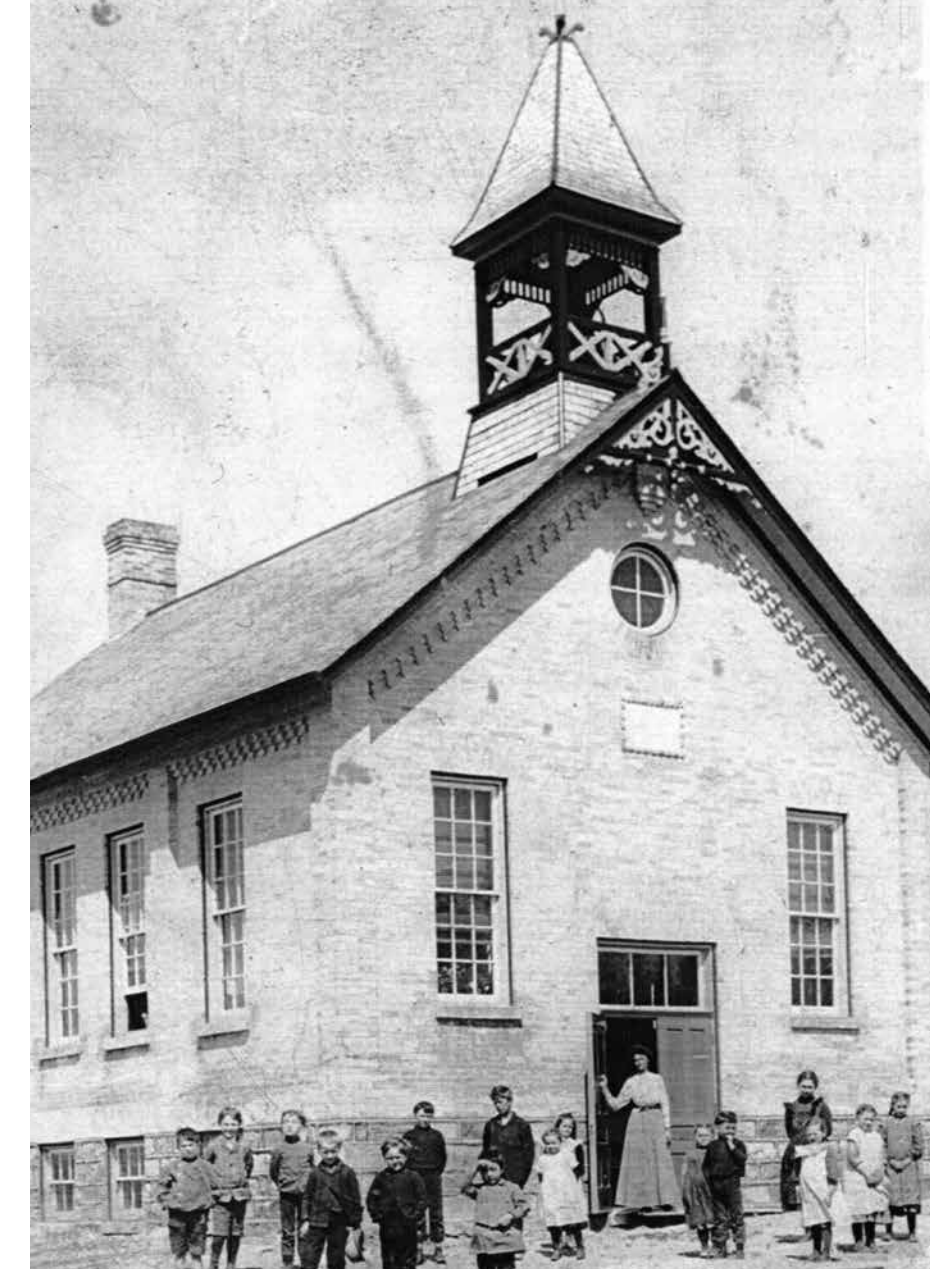
Wellesley mill & lumber yard as seen from the southwest, Courtesy of Wellesley Township Heritage and Historical Society (2012-17-004).



School #8 on the Third Line, Courtesy of Wellesley Township Heritage and Historical Society (09-12-02).

Growing Up on the Farm

Vernon was educated in a one-room school house (# 8 on the Third Line) that accommodated students from grades 1 through 8, with his favourite subjects being recess and lunch hour. His grade 1 teacher Margaret Walker, now Margaret West, was his favourite teacher. A typical farm boy, Vernon was a very active child. His favourite sport while growing up was hockey. He and his brother, Edmund, learned how to skate at a very young age and used their skills in numerous games on their own outdoor rink on the farm. The rink, which they flooded on a regular basis, was located between the house and the barn; they made the centre line using their mother's beet juice. Vernon and Edmund enjoyed many "Stanley Cup playoff games" in that "outdoor arena". They even had electric lights strung up so that they could play at night. The most popular players on Vernon's favourite team, the Toronto Maple Leafs, back then were Syl Apps, the captain of the Leafs, and Howie Meeker. When Vernon and his brother took to the ice, Edmund was always Howie Meeker and Vernon was Syl Apps.



School #8 on the Third Line, Courtesy of Wellesley Township Heritage and Historical Society (09-12-07).



Vernon playing hockey on the family farm at age 13 in 1949.



Vernon and his brother Ed playing hockey in 1995.

On occasion, the boys begged their sisters Vera and Erma to play goalie. Placed in goals at opposite ends of the ice in the freezing cold, Vera and Erma generally did not like playing goalie because they had to play without goalie pads while their brothers would shoot flying pucks at them. Playing hockey was something Vernon and his brother were very passionate about. In later years, they played many games in the local arenas in Wellesley and Milverton as well as New Hamburg, mostly as members of church teams. Vernon remained quite active in hockey until he started driving trucks and could not make regular practice times any longer. To this day, his brother Edmund, at age 72, still plays hockey with the old-timers every week.

Foundations of a Life of Faith and Integrity

Vernon's parents had a formative influence on their children. Being an honest and principled man, a devout Christian, and someone who tried to be just at all times when dealing with customers, Sam Erb taught Vernon most of the values he has lived by his entire life. Honesty in life and business, caring about others, treating people with respect regardless of their status, living by faith and being involved in the church, being humble, and never asking employees to do anything that he would not be willing to do himself were values imparted on Vernon by his father in particular. Vernon had a lot of respect for his parents and tried not to disappoint them. Looking back, he recognizes the great influence that Sam Erb had on the way Vernon and his siblings have lived their lives.

Sam Erb was a quiet man and taught the children more through his actions and the way he lived his life rather than by being vocal about things. Among the many memories and lessons learned, Vernon has never forgotten about lying to his father once about crows in their cornfield. Back in Vernon's childhood days, many farmers placed scarecrows into the middle of a cornfield after the corn was planted to stop the crows from picking away at the seeds. To Vernon's great disappointment, Sam Erb very seldom participated in that common

practice. Wishing that his Dad put up a scarecrow as well, one afternoon Vernon said to his father, "There are crows in our field; we better put up a scarecrow." Knowing that was not the case, Sam Erb challenged his son right away. Vernon insisted that he had seen crows in their cornfield but later that evening, when it was revealed that he had lied to his father to get his own way, Vernon received a spanking that left a lasting impression on him as far as honesty is concerned.

In addition to discouraging Vernon and his siblings from lying, and challenging them to be honest at all times, Sam Erb also taught his sons about the evils of drinking alcohol. One night while Sam Erb and his sons were driving home in the family car, they noticed a horse and buggy coming down the road in the wrong direction. As they approached, they realized that the driver was drunk. Sam Erb stopped the car, helped the man turn around his horse and buggy, and proceeded to climb onto the seat of the buggy to take the drunk driver back to his farm to ensure that he arrived home safely. Vernon followed behind them in the family car. That experience taught him an important lesson about the negative effects alcohol can have on people.

While instilling values of honesty and fairness in personal matters, Sam Erb also left a lasting impression on Vernon in relation to the way he should conduct himself in matters of business. With five acres of apple orchards on the farm, Vernon's father sold a large amount of produce to the public. When putting baskets together for sale, Sam Erb always made sure that they were filled right to the top. Once Vernon thought that his basket was full already, his Dad would often say: "Shake it; maybe you can fit another six apples in on top of your basket." Further, while they were filling the baskets and grading them, Sam Erb always told the boys: "Make sure you don't put all the good apples on the top. Mix them so that you don't misrepresent the product." His father always wanting to make sure that he gave a good measure to his customers is a principle that has remained with Vernon throughout his life.

Sam and Lydia Erb displayed a great concern for their family's welfare. Vernon understood this and tried hard not to do anything that would disappoint his parents. He remembers one instance in particular. One night, while Vernon was still a teenager, he was driving around in his Dad's car together with some friends, when two drunk young men on the highway forced their car to a stop. Before Vernon knew what they were up to they had dragged him out of the car, and started beating him up. Vernon's friends were able to get out on the other side of the car and began running for help from a nearby farm just up the highway. Vernon was beaten up so severely that he ended up with a broken leg. As it later turned out, the drunken men had mistaken Vernon's car for someone else's who had taken their girls away from them. When Vernon's Dad learned about what had happened, he was deeply concerned that his family's reputation would suffer because of Vernon's encounter with those kinds of individuals. As the true facts came out, and he realized that Vernon had not been part of their partying and drinking, but that he was an innocent victim, Sam Erb was greatly relieved.

When asked as to the source of his own entrepreneurial spirit, Vernon is not able to pinpoint any particular experience apart from watching his father operating the family farm, and feeling a deep desire from a young age to drive a truck and maybe to own a few one day. In his business dealings, Sam Erb was an excellent and very frugal operator who was well-respected by the men he employed. As a matter of principle, he never expected them to do anything that he would not do himself. Furthermore, he was a man of faith who served as Sunday school superintendent. Being a very humble person, he always took the back seat. When he felt that someone had wronged him, he accepted it, and in reply would quote the scripture: "Vengeance is mine. I will repay, says the Lord." In turn, Vernon has internalized this notion, learned from his father, that it is not up to him to retaliate.

Tragically, at age 56, Sam Erb suffered a stroke from which he never fully recovered, and he passed away a year later at the young age of 57. Vernon remembers visiting his father in the hospital, hoping that he would recover. While bed-ridden, Sam Erb was concerned about his Holstein herd and wanted to make sure that his cattle were looked after properly. He was also concerned about his apple orchard, which he took a lot of pride in. He had hoped to spend more of his time in the apple orchard after retiring and passing the farm on to Vernon's brother, Edmund. He loved to work in the orchard, trimming and grafting the trees and producing quality fruit. Unfortunately, he was never able to enjoy that retirement dream.

Growing Up in Rural Ontario During the 1930's and 40's

Vernon grew up just after the Great Depression and during and immediately after World War II when living conditions were quite basic. During Vernon's early years, the farmhouse did not have a bathroom. Although he never felt that they were poor, there were times when Vernon wished that his family had some of the conveniences and equipment that some of their neighbours seemed to be able to afford. In spite of that desire, due to Sam Erb's frugal nature, the Erbs were comfortable and they always had plenty to eat. Vernon explains: "Growing up shortly after the Great Depression in the early thirties was very tough. Our family was by no means wealthy. There were things we would have enjoyed having, but there often was not enough money for them unless they were really needed. What a treat it was when our Dad would come home from Wellesley on a hot summer day with a few bricks of ice cream and a few bottles of Soda Pop or take us into town on a Saturday night for grocery shopping and we would end up at the ice cream parlour for five- or ten-cent ice cream cones."

Although he was still very young during the early to mid-1940's, Vernon remembers the war years quite well. His second school

teacher, whose husband served in the war and was stationed in Gander, Newfoundland, always kept the class informed about how the war was progressing. Since the Erbs did not have a radio on the farm in those years, Vernon always listened eagerly to the teacher's regular reports and updates. Purchasing restrictions on goods deemed important for military purposes brought the war home to Wellesley. Vernon remembers his parents using stamps to purchase certain items. They could only buy so much gas for their car, as gas was regulated. Additionally, the purchasing of sugar and various other food items was limited as well. Vernon still remembers the little stamp booklets they had to use when buying things.

During the second half of the 1940's, after the war had come to an end, life became somewhat more comfortable, as many new amenities became available. Around 1946/47, Vernon's father built a new silo on the farm; and he also bought a new tractor and a better car. In general, farming had become somewhat more profitable with the war being over and economic conditions being quite good during the late 40's and early 50's. When electric lines were built past the Erb's family farm, Sam Erb had the farm connected to the grid. Vernon remembers having the barn and house lit up with electricity being a source of great excitement. Although the Erbs were somewhat conservative, they had all the conveniences the modern world could offer such as cars, tractors, and electricity.

Helping Out on the Family Farm

Until 1947, Vernon's father shared a McCormick 10-20 Deering tractor with Vernon's Grandfather and Vernon's uncle. One morning in 1947, when Vernon was about 11 years old, they got a call from their local International Harvester dealer telling them that their new Farmall M tractor had arrived after having been on order for two years. Vernon can still picture it coming into their laneway. Of course, he had stayed out of school that day to witness the special event. "We were the envy of our neighbours with this big, 47 H.P. tractor," he remembers, and

they had to buy larger ploughs and machinery to utilize all the power of the new tractor. To Vernon's great disappointment, his Grandpa Jacob Erb got to drive the new tractor for cultivating and disking. Vernon envied him because *he* thought that he should have been the one driving it instead. Although he lived in town, Grandpa Jacob Erb, who was Sam Erb's father, always helped with chores on the farm, well into his seventies. While having to defer riding on the new tractor to his Grandpa at first, Vernon, in later years, got his fair share of driving the tractor on the farm, as well as on his uncles' and neighbours' farms. Sam Erb was very particular about plowing the fields and making sure that the rows were straight. When he finally allowed Vernon to plow, he was not sure whether his son could do it straight enough. He was concerned that people driving down the highway would look at how the fields were plowed and notice if the furrows were not straight. It took Vernon a while to convince his father that he could plow in a manner that met Sam Erb's high expectations.

The family farm was "blessed" with many rocks and stones, which seemed to appear every year at grain-seeding time. As a young child, Vernon spent many hours gathering up stones, throwing them on a wagon, and hauling them to their bush, where he threw them off the wagon. The entire family would do this for days every spring after seeding grain or corn. Looking back, Vernon remembers this as one of his least favourite jobs on the farm. At the same time that the crops began to grow and mature, weeds also made their appearance in the fields. This was many years before farmers began spraying their crops. Usually during the month of June, when it was very hot already, the entire family would walk through the fields with thistle hooks and cut out all the thistles and other weeds. Wild mustard, which was growing in the fields as well, had to be pulled out by hand.

Grain harvesting was a labour-intensive process, as these were still the days before combines, forage harvesters, hay balers and other time-and-labour-saving equipment had become available. Vernon remembers spending many hot summer days as a young boy leveling



Vernon on the new Farmall tractor, early 1950's.

hay on a wagon that was trailed closely behind by a hay loader. When it was time to gather in the hay crop, their hay loader would load the loose hay onto a wagon on which it was hauled into the barn. Moving the hay off the wagon and into the hay mow was extremely labour-intensive, involving lots of heavy lifting. Later on, when the Erbs began using balers for baling the hay, it was still hard work, but because the hay was now more compact it was slightly easier to handle than in the past.

During the days of Vernon's youth, grain combines were just starting to come out. Although there were a few combines around, Sam Erb always felt that their fields were not quite flat enough to use a combine. His concern was that a combine would not be able to thresh out all of the grain, and would therefore cause them to lose some of their harvest. As a result, the Erbs used a grain binder almost until the time that Vernon left the farm. Vernon remembers working with the grain binder to make the sheaves before stooking them and



Vernon and his brother Ed on the new Farmall tractor, late 1940's.

putting them together to allow them to dry for a week or two so they were ready for threshing: "The sheaves of grain had to be bundled or stooked in neat rows to be further dried for several weeks. We would come to the field with horses or a tractor and wagons and pitch the sheaves on the wagon with a fork, haul them to the barn and lastly, toss them, one by one into the threshing machine to separate the grain from the straw, blowing the straw into the straw shed and the grain into the granary – a very dusty job!"

Eventually, Vernon's father and uncles bought a threshing machine together. With that machine, they went from farm to farm helping other area farmers with threshing their grain. Vernon remembers this being a highlight of the summer, although throwing sheaves in the hot July and August weather and was not an easy job for a young boy like him. Vernon vividly remembers one particular fall day, when his father and two of his uncles finally bought a new I.H. corn binder with a loader attached to it. That machine saved a lot of back-breaking labour by cutting the corn stalks and throwing them right onto a wagon running beside it. From the fields, the wagon was pulled to the ensilage cutter where the heavier sheaves were thrown into the cutter to fill the silo. When forage harvesters appeared in their area a little later, this further reduced the need for manpower in the harvesting of grains.

In spite of the hard work, Vernon always enjoyed life on the farm. Of all the farm work, he liked plowing the best. Threshing grain and silo filling was always exciting as well; so was working with his uncles and neighbours. As a growing boy, he always enjoyed his mom and his aunts' cooking when they were out working in the fields. The great meals that were served were always something to look forward to as well. Looking back, Vernon reflects: "I feel it was a wonderful way to work with family and learn about nature and God's wonderful creation. In my view, growing up on a family farm is the ultimate dream any child could wish for."



Sam Erb and his children Vera and Vernon picking apples.

Working in the Orchard

The one thing Vernon had no interest in on the farm was the orchard. Vernon particularly disliked the fact that each year in the spring when their neighbours were out planting and doing their farm work already, the Erbs were busy in the orchard pruning trees and trimming branches. In the fall, a lot of time was spent in the orchard as well, picking apples, grading and selling them while trying to stay on top of the other farm work by working at night.

Every year in the fall, Vernon's mother's sister, Aunt Lavina, and her husband, Uncle Moses, came down from Millbank together with a car load of ladies from their area to help pick apples. Their help was always appreciated. While he did not like pruning trees and gathering branches in the orchard in the spring, Vernon did not mind picking apples, hauling them away in bushel baskets and selling or distributing them to customers in the Millbank, Milverton and Wellesley areas. In addition to delivering pre-ordered apples to regular customers, Sam Erb would also be the "apple man," driving up and down the streets and selling apples to people who saw him



The Erb family in the 1940's. L to R: Vernon, Vera and their Aunt Nancy.
Front row L to R: Erma and Ed.

driving by and decided to come out and buy a few bushels from him. With about five acres of fruit trees, the apple operation was quite profitable for the farm.

A Dream is Born – Little Vernon and Trucks

When he was a young boy, Vernon played a lot with toy trucks; he also took great pleasure in keeping himself busy in the tool shed on the farm cutting out wheels and building toy tractors and trucks. From early on, he always had a liking for equipment, primarily trucks. “I guess it never left me because I am still playing with trucks,” Vernon says with a smile. His Grade One teacher, Margaret West, still remembers him as a child playing with rubber erasers and putting thumb tacks through them pretending they were trucks. In a later conversation, she remarked to Vernon: “I think you spent more time watching the trucks out on the road and playing with homemade little trucks than paying attention to what I was trying to teach you at school.”

Part of Vernon's distraction at school was the fact that there was a gravel pit behind the school. All the local dump trucks that were hauling gravel had to come past the school on their way to and from the quarry. Vernon was captivated as he watched those dump trucks come to a stop at a stop sign and start out again right in front of the school's window. From his desk he had to stretch his neck to see the trucks through the window: “I just wanted to see those trucks”, he remembers with great excitement. “Oh, just the roar of the motors and the exhaust was music to my ears. I really liked to watch those dump trucks, as well as the livestock and feed delivery trucks that came to our farm picking up or delivering feed, fertilizer or livestock. Boy, I would check them out; I was just naturally attracted to trucks, and I dreamt that someday I might have four or five trucks and have this cousin drive one, and that cousin drive another, and my brother drive one as well. I always had this vision of having a few trucks and of me sort of running the show. However, I had no idea that it would ever get to where it eventually got to.”

Leisure Activities, Church Life and Personal Faith

To the extent that farm chores, hockey and regular visits with family and friends left time for additional activities, these centered primarily around church. During his youth, Vernon was involved with the local farm group and he was also a participant in the many activities offered to young people at their church. Vernon and his family were members of Maple View Mennonite Church, which was about a mile-and-a-half down the road from the farm. Vernon accepted the Lord as his Saviour at the age of 15 and by God's grace has tried to live a life pleasing to God and a blessing to others.

Vernon has many good memories of growing up with friends in the church and in the community, participating in activities and sharing their faith together. Looking back, it seems that most of the young men's entertainment and fellowship revolved around the church, be it ball games, hockey and other sports, literary society meetings, as well as many other activities. The young people were further involved in various mission projects which sometimes involved a farmer donating a few acres and the young people planting, growing and harvesting turnips on them. During the summer, they would hoe the field together, and then go out and have ice cream together. After the harvest in the fall, the young people would haul the turnips to a waxing plant and sell them. The cash they made that way was then used in support of missions. Several local churches would get together every couple of months and do what they called tract packing, which is putting tracts into bundles. Furthermore, literary societies brought young people together for fun nights of playing games and fellowship.

On a typical Sunday, the Erbs tended to their morning chores (the cows needed to be milked seven days a week) before heading to church for the 10 o'clock service. At church, the children attended Sunday school in their respective age groups. Vernon went to Sunday school together with Howard Lebold, who has been a good friend

over the years and who continues working at Erb's part-time at age 78. Vernon remembers many good Sunday school teachers who during those formative years taught him valuable Bible lessons that have stayed with him to this very day.

Part-Time Jobs Outside the Farm and Choice of a Vocation

In addition to working on the farm, doing whatever job needed to be done, Vernon held several other part-time jobs as well. These included helping sick relatives or neighbours with their chores and field work. One year in the spring, Vernon helped at the local *Massey Harris* Dealership that was owned by Menno and Albert Erb. Assembling and repairing farm machinery at the dealership was a great experience; it exposed Vernon to various trade skills that he previously had little to no experience with. Among other things, Menno Erb introduced him to heating, welding and shaping metal and steel, which Vernon found very interesting. Yet, as he contemplated his future, in the back of his mind the thought of driving a truck never left him.

Working with his Dad on the farm familiarized Vernon with a variety of trade skills as well. In addition to operating the farm, Vernon's father did some carpentry work on the side, helping build barns, repairing roofs and doing whatever construction was needed on the farm. He never pushed Vernon to become a farmer, but rather felt that his son should get into a trade, and become a carpenter or electrician. During the second half of the 1940's, Vernon helped his Dad with electrical work, wiring driving sheds and other buildings on the farm property. He thoroughly enjoyed that kind of work and started toying with the idea of possibly becoming an electrician. However, his fascination with trucks was so strong that Vernon felt that he “had to get that trucking thing out of [his] system first.” His plan was to work as a trucker for maybe two years before settling down and deciding on a more permanent career.



Vernon blowing snow with his home-made blower with gas engine on the farm, late 1940's.

Leaving School at Age 13

Back in the late 1940's and early 1950's, children attended public school until completing grade 8, at age 14. After that, they either went on to high school for another two years or dropped out of school altogether. Being a typical farm boy, Vernon did not care much for school beyond grade 8. When his teacher realized early in their grade 7 year that the three Erb boys, Wilfrid, Frank (a second cousin of Vernon's) and Vernon, would turn 14 years old during grade eight and, as a result, could drop out of school after writing their high school entrance exams, she was determined to keep them in school. To ensure that they stayed in school past grade 8, she had them take

grade 7 and 8 together part way through the term. That way, the boys would end up being only 13 years old upon graduation and would have to continue on to high school unless their parents applied for special permission which allowed children to discontinue school at age 13 if needed on the family farm. Having their best interests at heart, Vernon's teacher had a real scheme developed for the three Erb boys.

Although he was technically too young to stay out of school, there was no way in Vernon's mind that he was going to high school in Elmira. "I felt I had had enough school and that I did not need high school," Vernon reflects. His parents did not push him either because Sam Erb could use his son on the farm. His father applied for special permission from the School Board and Vernon ended up leaving school at the age of 13.

Working on the Farm throughout the Season and Attending Bible School in the Wintertime

Like Vernon, many of the other children he had grown up with did not attend high school either because their help was needed on the farms. During the winter months, when there was not much farm work, the young teenagers attended Bible School classes in Kitchener or Wellesley. Unlike the public school system, where children attended classes all year round, the Mennonite Bible School only offered a winter term of approximately six weeks during the months of January and February.

Sam and Lydia Erb insisted that Vernon and his siblings attend Bible classes for three to four consecutive years during the winter months. Once again, Vernon was impressed with his teachers who gave him a good foundation in the scriptures. Being a "people person" who values relationships, Vernon thoroughly enjoyed meeting and interacting with fellow-students from different farming areas. Every Sunday evening they put on a program at different churches with singing groups, testimonies, and speeches, which the young

people had to prepare and deliver. Although these commitments sometimes conflicted with his hockey schedule, they were very worthwhile in providing good spiritual guidance to Vernon. Vernon and his friend Mel Gerber (who later became Dr. Gerber) were sometimes criticized for missing Bible class because they were playing hockey. Some of their more dedicated friends seemed to be a little concerned about the two guys who skipped Bible School so that they could follow their passion for "Canada's game."

Family and church created a very stable environment. While the young people attended various church activities together, many good relationships developed. However, even Mennonite farm boys get into trouble sometimes. Once in a while, the young men would get out and race their Dads' cars to see whose vehicle was the fastest. Vernon well remembers his friend Ray taking a group of six young guys, including Vernon, out in his car and racing their friend Doug on a rainy evening. Not realizing that the wet pavement was also extremely slippery, Ray lost control of the car. After making several loops on the curb of the road, the car clipped some guardrails and slid and spun around several times on the highway. Looking back, Vernon believes it was a miracle that they did not end up upside down in the ditch and hurt at the speed they were going. Fortunately, the only damage was a chipped taillight on Ray's car.

As far as family was concerned, Vernon has had a very good relationship with his brother and sisters. Edmund later took over the home farm and operated it until a few years ago. Vernon's sister, Vera, married Fred Koehler, a "city boy" in Kitchener who worked in a rubber factory and passed away of cancer in October 2002. Vernon's youngest sister, Erma, got married to Craig Bisset, a warehouse worker in Kitchener, who, unfortunately, has been in very poor health for the last several years.



The Erb family around 1947: Back row from L to R: Vera, Lydia, Sam Erb. Front row L to R: Edmund, Erma, Vernon.



A Dream is Born

Becoming a Trucker and
Laying the Foundations of
Erb Transport (1950's and 1960's)

CHAPTER 2

Laying the Foundations

The 1950's marked the beginnings of Vernon's long-time career in trucking. From driving a bread delivery truck in Wellesley and area (1955), through working as a hired driver for *Sindall Transport* (1956, 1960-63), to driving a bulk delivery feed truck for *Steinman Feeds* (1958-59) and working for *Weston Bakeries* (1965), Vernon gained a lot of experience behind the wheel during those years. In 1959, his strong entrepreneurial spirit led to him venturing out on his own: that year, Vernon bought his first dump truck and put it to use on various construction projects and for winter road maintenance. His first acquisition of an existing trucking business (Ray Baechler's in 1963) got him into hauling eggs from area farms to grading stations in Toronto. When in 1965 he began hauling turkeys (live at first, then frozen) for *Shantz Processing* (Checkerboard Farms since 1967), this marked the beginning of *Erb's* specialization in refrigerated product. Following the incorporation of *Erb Transport* in 1966, *Erb's* strong relationships with *Checkerboard Farms* and *Home Hardware* opened the doors for long-haul opportunities into Winnipeg, Thunder Bay, Montreal and the Maritimes. All throughout the 1950's and 1960's, *Erb* operated out of the village of Wellesley. Closely tied in with the farming community, *Erb's* early drivers were local farm boys, many of whom established long-time careers with the company that have lasted for thirty years and more. Vernon and his drivers' shared Mennonite and farming background as well as the company's character as a family business, were major contributors to the distinct *Erb* culture, which is built on the values of honesty, integrity, service and doing whatever is needed to get a job done.

First Trucking Experience: Delivering Bread in Wellesley and Surrounding Area

Vernon was first exposed to trucks on the home farm. When he was a teenager, Sam Erb bought a 1948 KB 3 International one ton pickup truck, which may have been a very heavy farming vehicle,

but, as Vernon says with a smile, "not much good for dating." Then his uncle bought a used Reo three ton truck as well as a Ford dump truck, to haul hay and corn silage from the field harvester to the silos. During the farming season, he hired Vernon part-time to drive these old trucks. Although Vernon enjoyed driving trucks around farms, his real ambition was to drive transport trucks on the highway.

One day in 1955, a friend of Vernon's, Harold Zehr, who was driving a local bread delivery truck, told him that he was quitting trucking in order to work in a local hardware store. Knowing that Vernon was waiting for an opportunity to get into trucking, he suggested that Vernon might be able to take over his local bread delivery route. "Although it is only a small truck, at least it is driving," Vernon thought to himself. With his friend's encouragement, he applied and got the job. For driving two full eight hour days plus another three half days per week, Vernon was paid \$28. These hours allowed him to gain valuable experience on the road while still leaving him enough time to keep helping on the farm.

Meeting and dealing with many customers both in the town of Wellesley and the surrounding area was a good experience for Vernon. "With a population of around 600 people in Wellesley at the time, I think I got to know most of them," he reflects. In the wintertime, it was often challenging to get into the snowed-in farm lanes. On many occasions, Vernon had to leave the truck on the main road and walk in and out of the farms with his basket of bread and other baked goods, as the lanes were not ploughed out. He also "made friends" with farm dogs, some of which were not very friendly.

While he was driving the bread delivery truck and helping his Dad on the farm at the same time, Vernon was able to convince his father to let him try to get a real highway driving job. "Even if it was only for two years," Vernon comments, "I needed to get this urge out of my system." Sam Erb was rather hesitant in giving in to Vernon's desire. "Trucking in those days was a pretty rough tough life and he did not

think his son ought to be a part of that," Vernon explains. In spite of his father's hesitation, and with his younger brother Edmund having grown up and being able to help on the farm, Vernon finally felt free to give transport trucking a try.

In the 1950's, when Vernon began looking for an opportunity to become a highway trucker, it was more difficult to land a good driving job than it is today, because there were fewer trucks available than potential drivers. Vernon knew several young men who were drivers for *Knipfel Transport* in Petersburg. Knowing that they liked working for that company, Vernon stopped in at Knipfel's at several times and talked to the owner. Unfortunately, Bob Knipfel did not have an opening at that time. Vernon also knew of *Curtis L. Roth* in New Hamburg, a company whose primary focus was on hauling livestock. When he applied there, he was once again told that there was no opening. Ironically, many years later, in 1973, when Roth sold parts of the business to *Erb Transport*, both Curtis and his son Richard came to work for Vernon. Curtis retired in 1987 and Richard recently retired in 2011. Vernon often joked with Curtis and Richard about the fact that they had not hired him back in 1956 when he had wanted to start driving trucks, but that many years later they worked for his company.

Driving for Sindall Transport

One day in June of 1956, as Vernon stopped in again at Bob Knipfel's to check if a driving position might have opened up, Bob's friend and colleague Don Sindall happened to be there. Similar to Knipfel, Sindall had a small trucking company that hauled livestock, grain, farm machinery and general freight. Don was quite interested in Vernon and asked him to see him at his yard in New Hamburg. He mentioned to Vernon that he had hired a new driver but that there were problems with him because he often got his directions mixed up. Don Sindall suggested that he wanted to give that driver another week to see if there was any improvement, and if that was not the

case, that he would let him go and give the job to Vernon. When Vernon showed up at Sindall Transport's New Hamburg yard a week later, Don Sindall hired him right on the spot to become one of the company's five drivers. "Be here on Monday morning at 5 a.m." were his only instructions. Vernon reflects: "I don't think he even knew whether I could drive a truck or not. In those days if you came from the farm, people expected you to know everything about equipment and trucks. Not like today, where you would have somebody to go with you and road test you first."

Vernon will never forget June 18, 1956, his first day as a trucker at Sindall's. Following Don Sindall's instructions, he reported to the yard early in the morning and met Glenn Yantzi, the company's dispatcher. Glenn showed Vernon the two-ton Dodge truck loaded with building material which needed to be at a construction site in Dunnville, Ontario by 8 a.m. that same morning. After receiving directions on how to get to his destination, Vernon was on the road. A career was born.

Vernon delivered his first load on time and called back for his next dispatch. He was told to return to New Hamburg to pick up a stallion and its owner and take them to Sarnia – a distance of about 100 miles – to visit a mare. Arriving there in the late afternoon, he unloaded the stallion and waited for about four hours while the horses "did their thing". When the owner was satisfied that the horse was ready to come home, they loaded the stallion back up onto the truck and arrived home at the farm around 1 a.m. after a very long day. Although he was used to working long hours on the farm, and despite his father's warning that there could be very long days on the truck, he had not realized that trucking in those days often meant working 24 hours non-stop. Looking back Vernon comments, "I am thankful that there are regulations today which govern the hours of service because I know firsthand how tough it was back when there were no rules to protect the driver." In spite of the long hours, Vernon knew that this was his life.

Early the next morning Don Sindall gave him a larger truck, an L 180 International, with a load of building supplies for a farm project in the Sarnia area. Following that delivery, Vernon was sent to *Goderich Elevators* to pick up a load of grain for *New Hamburg Mills*. On his way home, as he was coming through the small town of Dublin, he noticed an upturned KB 7 International truck in a small stream near the bridge. He pulled off the road to see whether he could help and to his great surprise noticed that it was a Sindall truck. Senior driver Willie Eichler had been given the KB 7 International for the day while his R 185 1H was being serviced. Willie, who had not met Vernon before, was very upset about the accident. He kept on saying, "I told them (Sindall's) that the truck had a steering problem, but they insisted I take it because they were very, very busy." Realizing that it could have been him that was upturned in the stream, Vernon was very thankful that he had not been assigned that truck on his second day on the job.

As he continued driving for Sindall's throughout the summer of 1956, Vernon drove mostly straight trucks (Internationals, a new Ford 700 and a new Dodge 700). Early one Monday morning, Vernon got a call saying that Sindall's needed him to take a load of cattle from a farm in Plattsville to the *Canada Packers* meat plant in Toronto. Vernon was instantly excited as this would be his first experience driving a tractor-trailer. From then on, he equally divided his time between driving the tractor-trailer and driving a straight truck, delivering many loads of chicken and turkey to *Dominion* and *Loblaws* stores throughout Ontario.

Meeting Viola

During the mid-50's, Vernon had many good friends and thoroughly enjoyed his young adult years. With his dream of being a professional truck driver, he felt he had to stay independent for as long as he could. In 1957/8, however, he finally started to look around more seriously, as many of the young women of his age were getting into

more serious relationships: "I thought I better get going before I ended up being a bachelor," Vernon reflects.

At the time, Vernon was the chairman of the young people's group at Maple View Church in Wellesley, his family's church. In that capacity, he attended events whenever he was not trucking. One particular night, they had a group from the Ontario Mennonite Bible School hosting their program. Vernon remembers seeing Viola, his wife-to-be for the very first time on that life-changing occasion: "And there she was, a beautiful young lady, singing in the ladies' trio. And boy, she really caught my eye!" Although he did not make any connection with her that evening, he made it his business through friends and other contacts to find out who she was, where she was from and if she might be available.

One night Vernon attended a Sunday evening fireside meeting in Kitchener, where a lot of young people from different churches gathered for fellowship. Lo and behold, Viola was there as well, together with her girlfriend Ruby. After the meeting was over, Vernon immediately approached the two young women, and asked Viola, who was living in Kitchener at the time, if he could escort her home. She seemed slightly reluctant to go out with this stranger at first, but somehow she connected him with that earlier meeting at the Wellesley Church and she also had Ruby along as her chaperone. Recognizing him as the chairman of the young people's group at Maple View Church, she thought to herself: "He must be a decent guy," and, as a result, accepted Vernon's offer of a ride home. That decision marked the beginning of their relationship.

Viola was born and raised in Duchess, Alberta. Her father, William, was a business man who owned a garage, a car dealership, a John Deere Farm Equipment dealership, as well as a bulk oil and fuel business, called *North Star*. Born during the Great Depression, Viola and her twin sister Violet are the youngest of 5 daughters. After graduating from high school in 1952, she got a job in the small general

store in Duchess. She worked there from the summer of 1952 until December of 1953, when she had saved up enough money to go to Bible School. Her plan was to attend Ontario Mennonite Bible School and Institute in Kitchener. During her time there, Viola worked in various summer jobs, including at a store in St. Jacobs. She also taught Bible School in Plattsville and Blair, as well as doing voluntary service. She graduated from the Ontario Mennonite Bible School at the end of March 1956, and throughout the summer of that year, volunteered at the Fairview Mennonite Home in Cambridge, which had just opened. In October of 1956 she returned to the Ontario Mennonite Bible Institute for the advanced program. Upon completing the first year, Viola started working full-time at *Eaton's* in Kitchener, a job she maintained until the summer of 1958. It was during this time that she sang in the ladies' trio, going from church to church to perform, and during one of these performances that she met Vernon.

First Long-Haul Trip to Florida for Sindall's and Getting Married

In the fall of 1957—Vernon had just met Viola— Don Sindall asked him to accompany Willie Eichler to take a load of Holstein cows to Florida, non-stop. This was still "in the old days," before Interstate 95 and 75 were built. Their tractor was a Diamond T diesel with two bucket seats and no sleeper. They delivered the cattle to Vero Beach, Florida and then washed and disinfected the trailer. Afterwards, they called around to various load brokers to secure a load of oranges, watermelons or whatever produce needed to be shipped to Toronto, for their return trip.

As the days went by, without being able to acquire a return load, Vernon was becoming very anxious – Vernon and Viola had planned a trip for the Thanksgiving weekend to Pennsylvania, where Viola's twin sister Violet lived, and they intended to leave after work on Friday night. Still sitting in Florida on Wednesday, with no load in sight,



Vernon and Viola Erb, 1958.

Vernon knew that something had to happen quickly if he wanted to go on his date. Finally, that same night, Sindall's dispatcher Glenn Yantzi said, "You guys and the equipment have been sitting long enough; come home empty!" Vernon was greatly relieved as that message meant that he would most likely be home on time. When Willie and Vernon finally arrived back at the yard in New Hamburg, Glenn asked for one of them to pick up a load of grain in Goderich. Vernon took on that assignment and when he returned home from that delivery got ready for his "big date" to Pennsylvania.

Arriving in Pennsylvania on Saturday morning, Viola's sister Violet took them on a tour around the countryside, and on Saturday evening her new friend, Titus, picked them up and together they went to a Hershey Bears hockey game. Having not slept for several days, Vernon fell asleep during the hockey game. To this very day, his brother-in-law Titus never fails to remind him that he paid good money to entertain them and that Vernon slept through most of the game.

On many occasions, Vernon has thanked the Lord that the special girl he pursued, became his lifelong companion. In addition to being instrumental in raising their family, Viola has also been very much involved in the founding and growth of their company. Vernon and Viola were married in Alberta on December 27, 1958 and she has been his constant and faithful partner ever since. Together they have raised three children: Karen (born in May 1960), Wendell (January 1962) and Darryl (November 1968).

While Vernon continued his career in trucking, Viola began working at the University of Waterloo in the summer of 1958. These were the early days of the University of Waterloo and Viola was working out of the Waterloo College building on Albert Street in Waterloo, which today is the Lutheran Seminary and a part of Wilfred Laurier University. Viola's desk was right outside the office of the president and she remembers overhearing the discussions among the College's leadership about potentially joining with the University of Waterloo,

and eventually deciding on founding Wilfrid Laurier University as a separate academic institution. When the first building of the newly-established University of Waterloo was built, she moved there and continued working on campus.

Trucking for Steinman Feeds in Wellesley (September 1958 to June 1959)

Three months before Vernon and Viola were married, Vernon decided to leave his trucking job at Sindall's for employment at Steinman Feeds, a local Wellesley feed store where he worked in the warehouse, as well as driving a single axle bulk blower truck, delivering bulk and bagged feeds to poultry and hog farms in the area. Although the hours were generally consistent, it was quite an adjustment for Vernon to come off the highway and work in this type of trucking environment again. Vernon took that job so that he could be home every night rather than being on the road, which was something both he and Viola appreciated.

The winter of 1958/9 turned out to be a bad winter with heavy snowfall. Vernon often got stuck while driving on snowed-in and unplowed farm lanes and several of the farmers he delivered to were not properly set up for receiving bulk shipments when he showed up with product at their farms. The hassle of snowed-in lanes, blower problems, etc. soon made Vernon change his mind on the benefits of doing local work. Although he had two great bosses, Noah Steinman and Glen Schwartzenruber, who he enjoyed working for, he was longing to get back onto the highway. He wanted his own truck, and he knew that he had Viola's support, as they had talked about his dream of one day having a small fleet of trucks and running his own business. With Viola's blessing, Vernon began looking for a new opportunity to turn his dream into reality.



Vernon's first truck, a 1956 International S-180.

Venturing On His Own – Vernon Erb Trucking

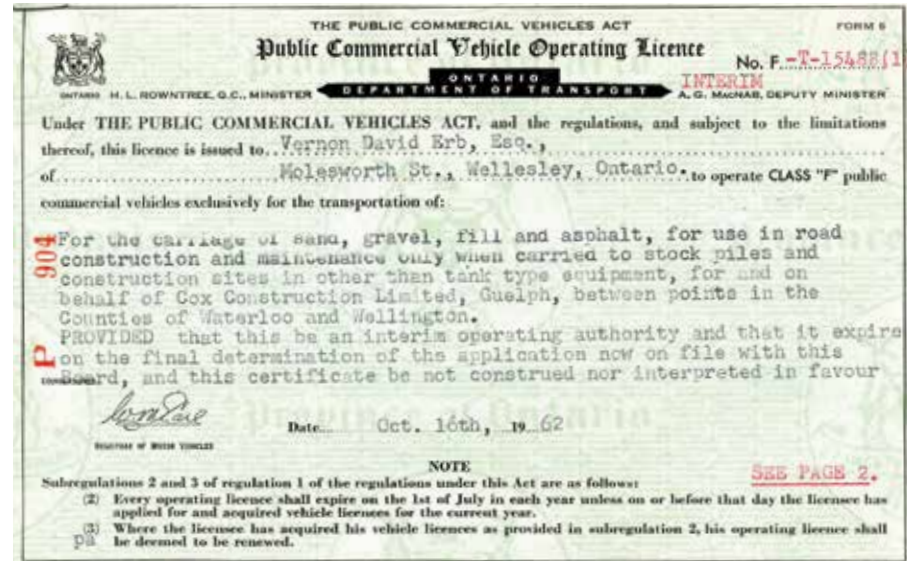
While working at Steinman's for about six months after they were married, an opportunity presented itself to Vernon to buy a dump truck and put it on a local job rebuilding Highway 19 between Stratford and Milverton. *Cox Construction* of Guelph had the contract for this large highway reconstruction job. At the time, it was rumoured that Cox needed 30 to 40 contract drivers with dump trucks until the end of the year in order to complete the job. Several friends and acquaintances of Vernon's were buying trucks at the time, planning to make their fortune on this job. Although driving a dump truck was not exactly what Vernon had in mind, he decided to investigate the possibility: "Owning a dump truck was never an interest of mine because I had a preference for over the road highway transport," Vernon explains, "but God had a perfect plan for us..."

While considering the possibility of following his friends' lead by buying a dump truck and contracting out his services to Cox



Vernon Erb Trucking.

Construction, Vernon approached the foreman on the job, Laverne Hartung. Laverne assured him that if he bought a dump truck, Cox Construction would hire him until the end of the season. They would further help him apply for a PCV license for road construction material and pay him a rate of forty cents per ton of hauling, plus payments issued every second week. Vernon and Viola discussed the matter together, and decided that Vernon should leave his bulk feed delivering job at Steinman's and buy a dump truck instead. Laverne Hartung's proposition made a lot of sense to them. Thus, with Laverne's encouragement and commitment on behalf of Cox Construction, and Viola's shared vision of Vernon owning his own truck, in June of 1959 the young couple sold their 1957 Chevy, bought an older, less expensive 1954 Chevy instead and used the remaining balance for a down payment on a used three-year-old 1956 S 180 dump truck from *Herron Motors* in Cooksville. They paid less than \$2,000 for the three-year-old dump truck, which needed a lot of repairs and attention.



PCV license for the hauling of construction material for Cox Construction, 1962.

Operating under the name of *Vernon Erb Trucking*, the name he used until *Erb Transport Limited* was incorporated in 1966, Vernon only worked on that highway construction job for one week. The road was so rough; it almost shook the truck to pieces. For one week, he bounced around on the rough road, repaired springs and many flat tires, and had to deal with an abundance of other problems on the truck as well. Having driven transport trucks for about three years prior, Vernon did enjoy the challenges of trucking. However, he was not quite prepared to accept the amount of abuse the truck and its driver had to go through when working on rough construction projects. Having lost money to deal with blown tires and broken springs, he decided that operating a dump truck was not his calling. Vernon remembers: "Putting this dump truck on that construction job was really an eye opener for me. It was rough, it was dusty and after the first few days I said 'my, if this is what I have to do to make a living, I am not too sure that I made the right decision.'" After one week on the site and unbeknown to Viola, he took the dump truck back to the IH dealer in Cooksville and asked him to resell it.

Unwilling to buy back the truck, the dealer offered to sell the truck for Vernon on consignment.

While hitchhiking home after returning his dump truck, Vernon was so embarrassed that whenever a truck from Sindall's or C.L. Roth went by, he turned his back fearing that the driver would recognize him. The last thing he wanted was to explain what he had just done. At supper that night, Vernon confessed to Viola that he had not gone to work that day, but had quit his job at the construction site and returned the truck to the dealer in Toronto. Having only been married for six months at the time, Viola said: "I just cannot believe this!" She then reminded him that his father had assured her before they were married that the Erbs were not quitters; to the contrary, that they were strong minded, hard-working people who completed whatever they set out to do. Viola told Vernon that she felt strongly about his ability to do the work and affirmed her husband that she would do the bookkeeping for him, which she ended up doing for 37 years until retiring. Looking back at that situation, Vernon reflects: "That was probably the first time that she was quite stern with me and really rebuked me for what I did. She was really disappointed in me." Had Viola not insisted back then, Vernon wonders where *Erb Transport* would be today. "I thank the Lord for that day. If that would not have occurred, I am sure there would not have been an *Erb Transport*," he says.

Having lost interest in operating a dump truck, which had never been his dream in the first place, Vernon decided that instead of resuming his dump truck operations, now was his chance to land a good job with one of the trucking companies in the city. Although he could have always returned to Sindall's, he did not pursue that option because he did not care for the long distance and the long hours there. Instead, he was hoping to find work with a local freight company that would give him eight or ten hour regular days. Although he applied to different companies, those applications did not go anywhere. Looking back, Vernon concludes: "I guess the Lord had bigger and better plans for us."

This is when Danny G. Erb, a cousin of Vernon's father who was in the dump truck business, called one night and told Vernon that he had landed a big job for the summer. "I need a few dump trucks," he said with a sense of urgency. "If you have a dump truck, I can give you work for the summer." Knowing that Viola was disappointed that he had returned his dump truck after only one week, Vernon began to wonder whether maybe he had pulled the plug too soon. Despite her disappointment, Viola had kept encouraging Vernon, saying: "If you start something, stick with it, don't give up!" Against that background, Vernon decided to take Danny up on his offer. Consequently, he went back to Toronto and brought back his truck which, not surprising given its poor condition, had not yet been sold. Vernon ended up working with Danny Erb's construction company for the rest of the year. Danny's large brand new gravel crusher ensured that Vernon's dump truck did not get abused as much as on the previous job. Late in the fall, after he had completed his contract with Danny, Vernon worked on another project with *Cornell Construction*. Cornell had obtained a large contract that involved putting in a sewer system in New Hamburg. Although they were only paying \$4 an hour for the truck and driver, which was lower than the going rate of \$4.50 to \$5, or even \$7 an hour when hauling by the ton, Vernon decided to accept the offer: "\$4 an hour is better than sitting at home doing nothing," he thought to himself.

In spite of the comparatively poor pay, the job turned out to be a good and quite profitable one. For several weeks, he only burned 15 gallons of gas per week as there were many occasions when the truck was sitting and waiting for hours not turning a wheel while the Cornell Construction workers were digging pipes or fixing machinery that had broken down on the construction site. Vernon worked on that sewer job for approximately 2 to 3 years on and off. Wayne Baechler, *Erb's* corporate operations manager, was a child back then growing up in New Hamburg. He remembers riding with Vernon at times: "It was about 1960/1 when they put in the sewers in New Hamburg and Vernon was working for the construction company. We ran home from

school to catch Vernon wherever he was in town, and we'd ride around with him in his truck. My mom said 'as long as you're with Vernon, I have no worries'. I would sit in the truck with him, at that time he had what was called a 2 speed axle. There was a little red button on the gear-shift, and he would put his foot on the clutch and let me lift the button and pretend I was shifting the gears. He was that sort of guy."

After completing work on the New Hamburg sewer project, Vernon went back to Cox Construction, the company that had originally hired him right after he had purchased his dump truck, working with them on several jobs within a 30-mile range from home during different years. Their foreman, Laverne Hartung, was a pleasure to work for. To this day, Vernon has a great appreciation and respect for Laverne and holds him in high regard, as he considers him somewhat responsible for *Erb Transport*, because without Laverne's encouragement he would most likely not have bought his first dump truck. In later years, Vernon and a hired driver assisted Cox Construction with several of their projects, hauling sand, asphalt and road construction material with two dump trucks.



Laverne Hartung and Vernon with one of Erb's antique trucks in 2011.

While he was operating the dump truck, Vernon was often paid by the ton, meaning that the greater the amount of gravel he hauled, the more money he would make. Out of habit, but also in order to shorten his break times, Vernon always carried his lunch with him. He would often try to catch the last load before the gravel crusher quit for the noon hour, and deliver it while some of the other drivers went to town to eat. Vernon was usually back for one of the first loads after the gravel crusher resumed operations. In the mornings as well, he tried to be one of the earliest drivers to arrive at the job site, and he would also be one of the last to leave. People noticed that he was ambitious and hardworking, and drivers would often comment: "Boy, you sure are ambitious!" Vernon simply wanted to get ahead and drive the maximum amount of loads during a workday. Reflecting on his drive during those early years, he says: "I feel that it was somehow bred into me that you do a good day's work for a good day's pay. I wanted to get ahead and you have to have some ambition to do that."

Driving for Sindall Transport in the Wintertime (1960 to 1963)

Throughout 1960 to 1963, Vernon continued driving transport truck for Sindall's during the wintertime when there was no work on the dump truck. One year he stayed on with Sindall's into the summer and had his cousin Delton Erb drive his dump truck during that time. The winter of 1962/3 was the last time Vernon worked for Sindall's, driving transport truck for about 3 months that year.

During those winters of 1960 through 1962/3, Vernon made many trips to New York City and Philadelphia, hauling waxed turnips from local packing plants to the U.S. and bringing back return loads of New Holland machinery from Pennsylvania. Vernon will never forget his first trip to New York City where he had about 10 deliveries to warehouses, markets, etc., delivering all day and night. Not knowing the city, Vernon was struggling to find his destinations. At some point

he decided, "When this load is delivered, I will NEVER do this trip again!" Only one week later, Sindall's dispatcher, Glenn Yantzi, was somehow able to talk Vernon into taking another load to New York. After doing several loads and getting to know the city, he accepted these trips on a regular basis. However, Vernon always thought to himself, "If I ever have transport trucks of my own, I will never expect my drivers to go to New York City."

During her husband's trips to New York City, Viola always found herself concerned about Vernon's safety. Vernon would be driving all night long and delivering wherever he was required to. Crime was something to be reckoned with in New York City and a matter of particular concern to Viola. At stoplights, men would sometimes jump onto the back of the truck and steal parts of the load. On one occasion, Vernon had an MCC load into New York City. After pulling onto the dock at one of his delivery points, he asked the men at the dock where he had to go to get his papers signed. While they pointed out the building, one of the men hit Vernon on the back of the head in an attempt to rob him. To their surprise, he did not collapse and made it out ok. While he was away, Viola always prayed for Vernon's safety. "Vernon getting out of that situation in New York City relatively unharmed, that was the answer to my prayer," she reflects.

Buying Ray Baechler's Business and Trucking Eggs to Toronto (1963)

While operating his dump truck during the summers, Vernon was always looking for new opportunities. Never having given up on his dream of hauling freight, he was particularly interested in opportunities that offered him the chance to get back onto the highway full-time. In the early 1960's, there were many one-man-egg-trucking operations in different farming communities. Many of these were owned by local guys who picked up eggs from farmers in their respective community and hauled them to Dominion and Loblaws in Toronto, where they would be graded and put into stores. Vernon was interested in getting



Vernon and Ray Baechler at the opening of the new Baden Terminal on April 15, 2000.

into the egg-trucking business because it provided steady, year-round work as well as a regular weekly schedule. Egg truck operators would go around to farmers one day to pick up all the eggs, then go to Toronto the next day to deliver the load, and take empty cases back to the farmers on their return runs.

For several years, Vernon had his eyes set on one such particular egg-trucking operation in Wellesley. To his great disappointment, he learned one day that some other young man had bought it. Then, in 1963, Vernon became aware of another opportunity. Ray Baechler, the father of Erb's corporate operations manager, Wayne Baechler, was the owner of a small trucking business in New Hamburg, hauling milk to the local creameries in addition to trucking eggs from Wellesley and Wilmot Townships to Toronto. Ray, who due to some health problems could no longer drive his trucks, had a driver who while being satisfactory was not as business-minded as Ray had been. Since Ray was not visiting farms any more, his trucking business was losing customers. Ray had also become a car salesman and pursued other interests as well, which diverted some of his focus away from

the trucking business. In 1963, Ray placed an ad in the local paper notifying the public that his trucking business was for sale. Vernon, who knew Ray quite well, applied right away. When Ray called him shortly after and suggested that the two of them get together, it was not long before they came to an agreement.

When Vernon purchased Ray Baechler's business in the fall of 1963, Ray had about 125 cases a week going to Toronto in two trips. The eggs were shipped in wooden crates holding 30 dozen eggs each and Ray was paid about 65 cents per case. One of Ray's customers was Ken Roth in Gadshill, who shipped close to 50 cases of eggs a week, which was a large shipment at that time; the typical farmer back then only had 10 to 15 cases to a maximum of 20 a week. Knowing that Vernon's friend, Bill MacMillan, had bought out a trucking business that was conveniently located nearby Roth's farm, Vernon, as he was negotiating the deal with Ray Baechler, wanted to make sure that Ken Roth's egg shipments stayed with him in case he took over Baechler's business. Vernon had concerns about buying the business and losing those 50 cases a week to MacMillan. Vernon suggested that they visit Ken Roth together to make sure that he would continue to give his business to Baechler's even under new ownership. When the three men got together, Mr. Roth told them that he had committed to give Bill MacMillan his business if Ray Baechler ever sold. To help Vernon through the initial transition period, Ken Roth agreed to give the business to Vernon until December that year.

Vernon completed the purchase of Baechler's and began trucking eggs to Toronto. As long as he had Ken Roth's business, Vernon was doing alright, but by January of 1964 he was trucking into Toronto with no more than 75 cases total which was not enough to turn a profit. Despite these initial challenges, Vernon continued working at building a new customer base, visiting farmers and trying to convince them to ship their eggs to Toronto with him.

As it turned out, Vernon's efforts came at the right time, because many egg producers were starting to build big layer barns. Naturally, those bigger operations needed transportation services for close to 100 cases a week. When approached by Vernon, some of the producers agreed to give their business to him under the condition that he could get them into Dominion or Loblaws in Toronto. They preferred having their eggs shipped to Toronto rather than to the local egg grading stations because Dominion and Loblaws always paid a little higher. Despite the additional shipping charges, egg producers ended up with a dollar or two more in their pockets per case that way.

Operating the Egg Truck and a Dump Truck (1963/4)

After getting into the egg-trucking business in 1963, Vernon ran the egg truck plus his dump truck throughout 1963 and 1964. In 1964, he hired Ken Gerber, his first full-time employee. Ken, after many years of driving for *Erb*, became manager of the reefer department. He retired in 2011 after 47 years at *Erb's*, making him the longest-serving employee in the history of the company.

Trucking eggs was a stable and well-paying business with steady year-round volume. Day after day, Vernon had his routes to different farms where he would pick up crates of eggs. Pulling into farmers' laneways during the winter months continued to be a challenge at times. To avoid getting stuck, Vernon would take a toboggan along and park the truck on the road by the farm instead of trying to get into the unplowed laneways. From there he would walk into the lanes, put a few cases of eggs on the toboggan, and walk back and forth between the truck and the farm until all eggs were loaded. "I certainly got my exercise in those days," Vernon remembers.

Vernon accomplished much of his new client recruitment right off the truck. When picking up or delivering eggs, his customer might tell him about neighbours who were shipping their eggs to the local grading stations. As he was right next-door already, Vernon might drive in and

talk to those neighbours. At this time, there was no real structure for client recruitment other than it being done on the job while picking up or delivering. When delivering to Dominion or Loblaws in Toronto, Vernon would talk to the respective chain's purchasing manager, tell him that he had a farmer who wanted to ship a certain number of cases a week, and ask whether they were willing to take him on.

Connecting a specific producer to Dominion or Loblaws' distribution network in this way was not always easy. Working between the large chains and the farmers could be quite a hassle at times, because in spite of Vernon's ability to recruit producers this did not always mean that he was guaranteed their business due to factors that he could not control. Many times, when Vernon had been able to convince a farmer to ship with him, Loblaws or Dominion were not willing to take them on, because they had enough eggs already. Then a month or two later, the chains' buyers would talk to Vernon while he was making his delivery and say: "Hey, Erb, can you get us a couple new customers? We need more eggs." Vernon would then go back to the farmers who had expressed their interest in shipping with him and ask whether they still had eggs for Toronto. To his disappointment, on more than one occasion it happened that the producers had made alternate arrangements for their eggs in the meantime. However, by being persistent, in less than a year, Vernon had built the egg business up to two full loads of 250 cases each per week into Toronto.

The egg industry was entering a great time of change in Ontario in the 1960's. With the development of larger poultry barns, farmers would be shipping larger case loads, often upwards of 50 cases at a time. Faced with increased producer capacity, Loblaws, Dominion and other big grocery chains made changes to their operations to accommodate larger egg shipments. In the past they had insisted that eggs were cleaned by the producers before being shipped to the grading station, but now built washers so that eggs could be delivered the way they came out of the barn and be washed at the grading station.

One of Vernon's customers, John Steinman, was an egg farmer who had built a big new poultry barn. Like many other producers, he wanted to get his eggs into Loblaws because Loblaws and Dominion always paid a premium. However, Loblaws was not getting their washer in until the summer after Steinman was ready to ship. Although the eggs were not clean, Vernon was determined to take on John Steinman's business of about 70 cases with three pickup times a week. When he delivered Steinman's uncleaned eggs to Loblaws, sometimes the grocery chain would take them and at other times they would not.

Not wanting to lose the business, Vernon came up with an alternate plan: after picking up the eggs from Steinman's, he took them home, unloaded them at his house and Vernon and Viola washed them in their basement. For quite a while, Viola cleaned John Steinman's eggs, helping Vernon carry out one of his key entrepreneurial imperatives: 'Do whatever it takes to keep the customer happy!' Washing eggs was only one of many ways that Viola was involved in the business. In addition to looking after the books, she was also sorting egg cards according to route. On occasions when drivers had forgotten to pick up cases or there were additional eggs at different farms, Viola would sometimes get them by car. During the late 1990's, that same John Steinman would work for *Erb* as a driver. His son Jeff Steinman is an owner operator who celebrated 30 years with *Erb* in 2012.

Purchasing a Second Dump Truck and Sanding and Salting Highways in the Winter Season 1964/5

In the fall of 1964, Vernon's fleet consisted of a dump truck used for hauling sand, asphalt and road construction material for various construction projects, plus one straight truck for hauling eggs to Toronto. With road building being only seasonal, he had a need for additional work that would put his dump truck to use during the wintertime. During the winter season of 1964/5, the Department of Highways (D.H.O.), Stratford District, tendered for

road maintenance during the winter season. Vernon applied and won the tender for sanding and salting on Highway 7 and 8 between Stratford and Kitchener for two trucks. To make full use of the tender, and further because the wheel base on his dump truck was too short to accommodate the highway sanders, Vernon bought a used 1956 IH at Mack Trucks in Toronto which had the right wheel base. The truck appeared to be in reasonable condition and it had two brand new batteries mounted on the side of the frame. In preparation of having the sanding equipment mounted on in early November, Vernon checked the truck all over mechanically. The truck was scheduled to be at the Department of Highways yard in Stratford at 8:00 a.m. on a certain day in November 1964 to get the mounting done.

On that day early in the morning, with their children Karen (aged 4) and Wendell (aged 2) – Darryl arrived some years later – sleeping in their Dr. Denton pajamas in the back seat of the car, Viola followed Vernon in their 1956 Pontiac to Stratford. Before they got to Topping, a small crossroads between Wellesley and Stratford, Viola noticed pieces of metal falling out of the truck onto the road. Uncertain as to what it was, she passed Vernon and stopped him. That proved to be the wrong decision, as the metal that had fallen out of the truck, had been the batteries. After Vernon pulled over, his engine stopped while Viola informed him that a mile back something had fallen out of his truck and shattered into pieces. This is when Vernon discovered the battery cables hanging on the side of the frame; the battery box bottom had dropped, dumping the batteries onto the road, which he had then run over. Viola will never forget Vernon's reply as he wiped his brow: "Oh no, the only thing good in the junk heap, and now it is gone too."

Being stuck on the road with a dead truck with no battery and with the 8:00 a.m. appointment approaching fast, Vernon took the family car and drove up to *Elgin Roth Transport* in Topping to borrow a chain. When he came back from Roth's, he attached the chain to the truck on one end and to the family car on the other. Viola ended

up towing that big truck to the outskirts of Stratford with their 1956 Pontiac. There, they stopped at a *Canadian Tire*, bought a new battery, and somehow Vernon got it installed before dropping the truck off at D.H.O. In spite of their technical difficulties, they were still on time for their 8:00 a.m. appointment. “That was probably the only time a dump truck has ever been pulled by a 1956 Pontiac,” Viola says with a smile.

Sanding and salting the highway was a very demanding job, as Vernon and his drivers were required to be on call 24/7. When the call came, they were expected to be on the job at the D.H.O. yard in Baden within 15 minutes day or night. The D.H.O. paid Vernon \$5.05 an hour while operating, plus an additional \$5 a day for standby time from the moment the sanding and salting hoppers were installed on the dump truck until the equipment came off in the spring. The winter of 1964/5 was a busy winter for sanding and salting. Due to a lot of snow, Vernon and his drivers were sometimes going for 24 hours straight without a stop. Being able to put in a lot of hours allowed Vernon to make some good money. Driver Ken Gerber spent many hours on the road as well, sanding and salting the highway day and night. Vernon had a friend, Doug Kennel, who had an egg-grading station in Wellesley and a mobile feed mixer. He would help out part-time on weekends as well. Doug loved to be out in all kinds of weather; Vernon particularly remembers him starting on a Saturday morning and staying on the truck until late on Sunday. Vernon tried to relieve him with other drivers, but Doug was determined to stay on until the snowstorm was over. Tragically, Doug died several weeks later from asphyxiation, while running a gasoline truck in his garage during repairs, with the doors closed for too long.

Although Vernon had his three trucks for hauling eggs and construction material, this was still not quite what he had in mind. Being driven, ambitious, and fascinated with equipment, he wanted to get into something larger that would allow him to acquire more business.

Working as a Driver for Weston's Bakeries (1965)

It was during this time, that Weston's Bakeries called Vernon. He had first applied at Weston's several years previously, before he had a dump truck, and he had continued to apply for several years thereafter. The main attraction of driving for Weston's for Vernon was the regular schedule of their runs. Weston's drivers did daily trips out of Kitchener to Toronto, Essex, London, Walkerton, Brantford, Woodstock etc., with a fleet of R 190 and R 200 Internationals, which were Vernon's favourite trucks at that time.

When in the spring of 1965, Weston's hiring manager Jim Richardson called Vernon, he referred to Vernon's application for driving one of their big tractor-trailers from years earlier. Although he had his own business with two dump trucks, an egg truck and three employees—local farm boys Ken Gerber, Harold Gerber and Melvin (Mel) Gerber – the opportunity to drive for Weston sounded interesting to Vernon and he discussed it with Viola. Vernon's plan was to drive for Weston's in the early morning hours and to keep operating his dump truck throughout the day. With Viola's support, Vernon decided to accept Weston's offer on a trial basis and pursue both interests parallel. Vernon thus ended up driving a tractor-trailer for Weston's Bakery, hauling bread and cakes during the night and then operating his own dump truck during the day.

Vernon's regular run at Weston's was to London and Woodstock, leaving Kitchener at 3 o'clock in the morning. He was paid \$2.11 an hour. Everything was flat-rated, meaning that each trip had a time set in which it had to be completed. For going to London the company paid for eleven hours even though the return trip would only take about six hours if the driver really pushed it. The London-Woodstock trip included a stop at *Angelo's Bakery*, and a second one at Weston's terminal, where the stacks of bread had to be wheeled into several delivery trucks. Vernon even had enough time to go to a local restaurant for breakfast, before heading back to Weston's in

Woodstock to pick up mail and return to Kitchener. Vernon got up early, did his load to Woodstock and London and would be back for 9 o'clock in the morning. He would then jump onto his dump truck right away and take a few loads out of Cambridge before getting a little bit of sleep and carrying on.

Some of the other Weston drivers were upset that Vernon was doing the run in considerably less time than what they were getting paid for. Vernon remembers: “After several weeks on the job some of the other drivers were concerned by my return in six hours when the run paid for eleven. They felt that I was going to ruin a good thing. I could only extend my coffee breaks, breakfast etc. longer than necessary and still be back at 10:00 a.m., giving me part of the day to haul sand and gravel with my truck.”

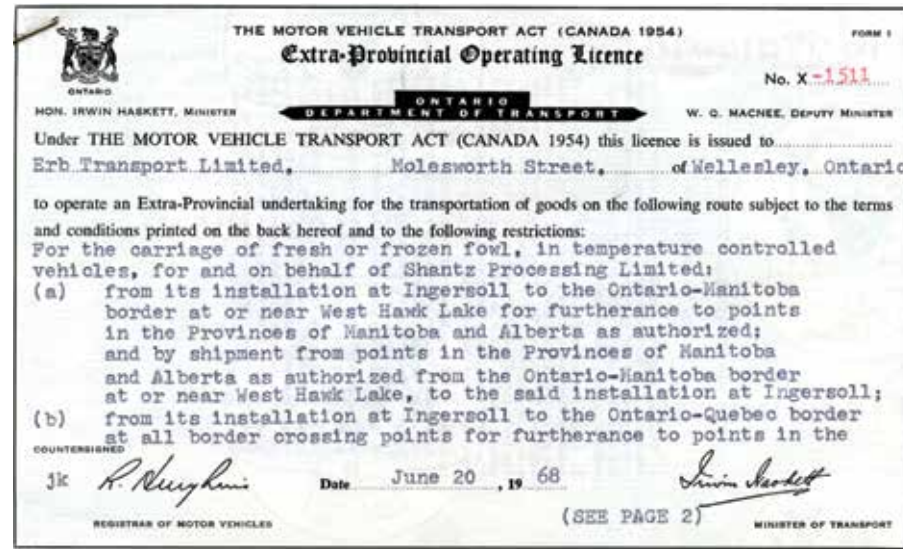
All but one of Weston's warehouses had a system where the truck backed inside the dock and unloaded on the dock. In London, however, in the absence of a dock, drivers had to unload the baskets of bread and take them to smaller delivery trucks from where they were loaded for local distribution. Vernon's colleagues tried to convince him that these conditions in London were unacceptable. Every couple of weeks, fellow-drivers insisted on Vernon going with them to see Jim Richardson to protest against the working conditions in London. Vernon remembers: “I really didn't know what to complain about – to me this seemed like an excellent job compared to some of the work I had done in the past, such as handling egg cases, feed bags, shoveling grain, loading livestock, unloading pole barns, New Holland machinery and many types of freight.”

In addition to the standard London and Woodstock run, Vernon did some other bread runs for Weston's as well, taking a load to Toronto in the afternoon sometimes when returning from London. Working for Weston's was good piecemeal and Vernon felt he was paid well for his time.

Hauling Turkeys and Refrigerated Product for Shantz Processing with Willard Richardson (1965)

Vernon was still debating whether he wanted to stay at Weston's long-term, when in June of 1965, Milo Shantz got in touch with him through another contact, Willard Richardson, who was driving a bulk milk truck at the time. Willard, quite an ambitious young man from the farm, came to Vernon and told him that the Shantzes, who were well-known farmers in the area and who were running a large turkey farm operation in the area, had bought a turkey processing plant in Ingersoll out of bankruptcy. They needed someone to haul live turkeys from their farms to the plant as well as for shipping their processed product in refrigerated trucks from the plant to warehouses and stores. Vernon knew the Shantz boys, Milo and Ross, who were Mennonite like himself and very business-minded people, through joint church activities. Vernon was already doing some work for them, hauling limestone products and gravel out of Cambridge into their laneways and barnyards, as the Shantzes were investing heavily into their turkey operations and building and renovating barns. Named Shantz Processing, the Shantzes operated the Ingersoll processing plant from June 1965 until 1967 when they sold the business to Checkerboard Farms. The plant was used for the processing of turkeys from the Shantzes' own farms as well as for birds from other area farms. The Shantzes were interested in working with Vernon and Willard because they wanted to control their own fleet, rather than working with some of the larger established refrigerated trucking companies. Vernon was extremely excited about this opportunity and when Milo suggested putting a deal together, Vernon went to Weston's and handed in his resignation.

In order to accommodate the freight, Willard and Vernon bought several tractors, while the Shantzes supplied the specially-built trailers with compartments for the live turkeys, called turkey liners. With Milo and Ross's financial help, Vernon bought two used gasoline-powered, refrigerated trailers; one used refrigerated straight truck and a used



One of several operating licenses granted to Erb for hauling frozen turkeys for Shantz Processing, 1968.

R 190 IH tractor for hauling processed turkey product. Without knowing it at that time, the purchasing of their first refrigerated truck and trailers to haul turkeys for Milo and Ross Shantz marked the beginning of *Erb Transport's* specialization in refrigerated shipping and of a refrigerated fleet which today has grown to 1902 pieces of equipment (158 straight trucks, 638 tractors and 1106 trailers).

When Vernon decided to take on the opportunity to haul for Shantz Processing, his company was not licensed for that type of business. Until trucking in Ontario became deregulated in 1989, transport companies that wanted to haul goods for manufacturers had to have a *Public Commercial Vehicle (PCV)* operating license. Since Vernon did not have a PCV license for hauling turkeys in his own name, and with Vernon and the Shantz brothers figuring that it would take time for Vernon to obtain such a license, they resorted to a different business model which, although being legal, was a cumbersome way to operate. For the first year of operations, *Erb's* equipment

that was used for hauling for the Shantzes was leased to them and *Erb's* drivers operating those trucks became officially employed by Shantz Processing. *Erb* reimbursed Shantz Processing for all related costs. This arrangement allowed Vernon to operate legally within the highly restrictive regulated trucking environment at the time. In order to grow within that environment, many trucking companies and manufacturers that had built relationships with each other resorted to that same practice.

While Vernon began trucking turkey products for the Shantzes under the leasing arrangement, he applied to the Ontario Highway Transport Board for the authority to truck turkey product from the Shantz Processing plant in Ingersoll to their customers in Ontario in his own name. After the application was made, it was published in the *Ontario Gazette*, which every trucker could read, and, as expected, competitors intervened. *Humes Transport* and *Lewis Transport* were two large refrigerated trucking companies out of Toronto. They were the only carriers with unrestricted licenses for hauling refrigerated and frozen foods in and out of any place in Ontario. After noticing *Erb's* application, they raised objections, causing a hearing before the Ontario Highway Transport Board in Toronto.

When arguing his case before the Highway Transport Board, Vernon had Milo Shantz and a lawyer with him. Together, they had to prove that the Shantzes in fact needed *Erb* for their shipping needs, and that no other licensed carrier could satisfy their requirements. The other side's lawyers had a strong argument against them by emphasizing that *Humes* and *Lewis* trucks were coming through Ingersoll every day with empty trailers. Since they were already authorized and had the capability to do the work the Shantzes required, they argued that there was no need for Vernon Erb to obtain a competing license.

After listening to the other side's arguments during the hearing, Vernon did not expect to get the rights to haul turkey products from the Shantz Ingersoll processing plant to their customers in

Ontario. In 1966, however, quite unexpectedly, Vernon's application was approved. From then on, the complicated leasing and payroll arrangement between *Vernon Erb Trucking* and Shantz Processing was no longer necessary. Little did Vernon know at the time that less than five years later, one of the two objecting parties to his application, *Lewis Transport*, would go out of business and *Erb Transport* would acquire their exclusive unrestricted license.

Although Vernon and the Shantzes worked well together, after hauling dirty live turkeys in the middle of the night in mud and rain, grabbing them by the neck and stuffing them into the compartments for a week or two, Vernon felt that hauling live fowl was probably not his long-term future. It proved too stark a contrast to the clean work that he had done at *Weston's* and Vernon could further sense that his drivers were not too excited about this particular kind of trucking either.

When his partner, Willard, approached Vernon with the proposal to form a joint company for the hauling of turkeys and turkey product, Vernon was not interested. As he still had his dump trucks and the egg truck as well, he felt that forming a separate joint company only for the work they were doing for Shantz Processing would not justify the effort and costs involved. After a few more weeks of messing around in the mud, Vernon asked Willard instead whether he would be interested in taking over the trucking of the live turkeys, while Vernon would look after hauling the refrigerated processed product. Willard who enjoyed hauling live turkeys was interested right away. The Shantzes agreed to split the operations as well, and, as a result, Willard started hauling the live birds while *Erb* became solely responsible for transporting the frozen end product. Although Vernon had not been interested in forming a formal partnership with Willard, they had worked well together and both men agreed to continue to use each other's equipment if needed.

After they split operations, Willard Richardson bought a diesel truck. One morning when Vernon was short a truck, he borrowed that

tractor from Willard to take a load of turkeys into Toronto. As he was approaching Milton, Vernon noticed smoke coming out of the back of his trailer. He pulled over and realized that he had two underinflated tires, one of which was on fire. Vernon got a fire extinguisher out of the truck and emptied it in one shot. The flames seemed to be extinguished at first, but, to his dismay, the rubber flared up again. Next, a *BA Oil* truck that was coming down the other lane of the 401, pulled over. Its driver not only had a big extinguisher, but he also knew how to use it properly, releasing small squirts of the extinguishing foam at a time. While he was squirting the extinguishing foam at the burning tire, Vernon and other drivers who had stopped to help were throwing sand from the side of the shoulder on the tire. Eventually the big extinguisher ran out of fluid as well, while the flames continued to rise up on the side of the trailer. No matter how hard they tried, the rubber always flared up again. By that time, Vernon was afraid of losing not only the entire load of turkeys, but the trailer as well. One of the assisting truckers suggested that they take the burning wheel off the truck. Vernon and his helpers pulled the dual tires off the back axle, and rolled them into the ditch where they continued burning for at least another hour.

Pulling over and helping each other out in times of an emergency was common practice among drivers back then. Floyd Gerber, who was one of *Erb's* earliest drivers and later became the company's first driver supervisor and V.P. Human Resources, explains: "The industry was very close; it didn't matter who you drove for, if you had a breakdown on the side of the road you could almost bet that the first truck to come along would be the one that stops to find out if they can help you, if you need a ride to a telephone or anything like that."

Incorporation of Erb Transport (1966)

In 1966, Vernon needed another refrigerated trailer to be able to accommodate the increased volume of turkey product he was hauling for the Shantzes. A refrigerated trailer was a major investment and



Vernon Erb Trucking has become Erb Transport Limited, 1966.

Vernon, although his business was going well, could not afford that kind of capital. Based on their partnership, the Shantzes were willing to purchase a refrigerated trailer for Erb in exchange for a small percentage in the company. They determined the value of the trailer in relation to the value of the company at that time, and concluded that the Shantzes' contribution was worth about 25%. In order to protect their investment, the Shantzes further suggested that Vernon incorporate his business. Thus, *Vernon Erb Trucking* became *Erb Transport Limited*, an incorporated company, with the Shantzes being minority shareholders.

History of the Licensing System in Ontario

Ontario's licensing system for the trucking industry dates back to 1904, when the Province's first licensing law was introduced as the first in all of Canada. This was at a time when automobiles were still in their infancy and even before trucking had become an industry. The real era of licensing began with the adoption of the *Public Commercial Vehicle (PCV) Act* in 1927. It outlined licensing and mandatory insurance regulations and provided for a \$100 fine that could be handed out to trucking companies in the event that they were violating rules contained in the PCV Act for the third time. The original PCV Act was a very basic piece of legislation consisting of only one page. Although licenses were being granted indiscriminately and were easy to obtain in those early days, the adoption of the PCV Act marked the beginning of the era of regulation.

1933 marked an important step in the evolution of a tighter regulatory system. During this year, the PCV Act was amended, and transferred the authority to grant PCV licenses over to the Ontario Municipal Board, which had been established in 1902 as the Railway Committee of the Executive Council. It was no coincidence that trucking regulations were put into the hands of a committee responsible for railway traffic, as the main push for restricting trucking came from within the railway industry which feared that trucking was threatening their transport monopoly at the time. As trucking developed into an industry, railway representatives called for even tighter controls at every opportunity. Most importantly, the amended PCV Act of 1933, introduced the new requirement that truckers applying for a license had to prove "public convenience and necessity" as the new standard for obtaining the right to haul freight. These criteria became the standard litmus test for the trucking industry until the time that the industry in Ontario was finally deregulated in 1989.

The only way for a trucking company to obtain a license was if it had significant support from customers who relied on its ability to provide

services in a certain area. Customers, whose carrier of choice had no authority yet to haul for them, had to support that trucking company's application for a license in court. They had to prove to the court and to the respondents, who, as a matter of general practice objected to the granting of a new authority to a competitor, that other current license holders could not meet their transportation needs. In other words, customers had to convince the authorities that granting a new license to the applicant was essential for them and their business. The respondents in these cases, who formally objected to an application, were usually license holders from the same area, who feared that the applicant being granted a license for similar product and/or the same operating territory might negatively affect their business. The respondents would usually argue that they had the ability and capacity to take on that customer and therefore, that there was no need for the applicant to be issued a competing PCV license.

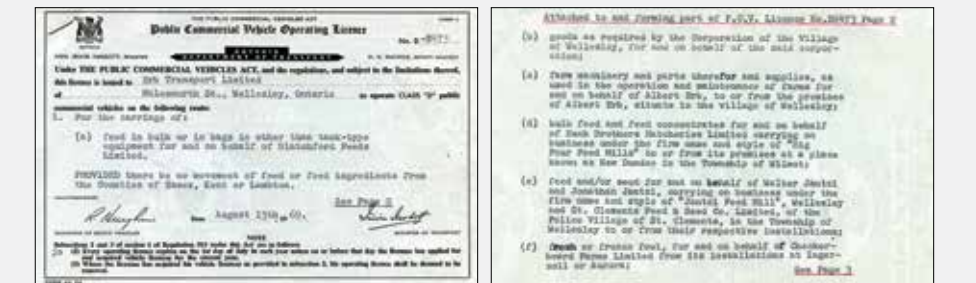
Subsequent changes to the system included the creation of a separate Highway Transport Board in 1954, which became responsible for issuing licenses and enforcing compliance with the regulations of the PCV Act. The creation of the Highway Transport Board was a reaction to the adoption of a new federal law called the *Motor Vehicle Transport Act*, which delegated the power to regulate motor vehicle transportation to the jurisdiction of the Provinces. With that, the regulatory regime that governed trucking in Ontario at the time Vernon broke into the industry in the 1950's and 1960's was fully established. (For a more comprehensive history of the regulatory system in Canada see Ontario Trucking Association, *Trucking and Triumphs: 80 Years of the Ontario Trucking Association*. Toronto, ON: Ontario Trucking Association, 2006).

Prior to the establishment of the licensing system, with no regulations, no rate protection, and no safety requirements in place, virtually everyone could get into trucking. As road networks were extended all across North America and a lot of freight was moved by trucks, many people started up their own trucking operations. Due to lack

of experience, with no guidelines to go by, and often with inadequate resources as well, there were so many financial fatalities in the industry that it became imperative for the authorities to regulate the industry, both in Canada and in the United States.

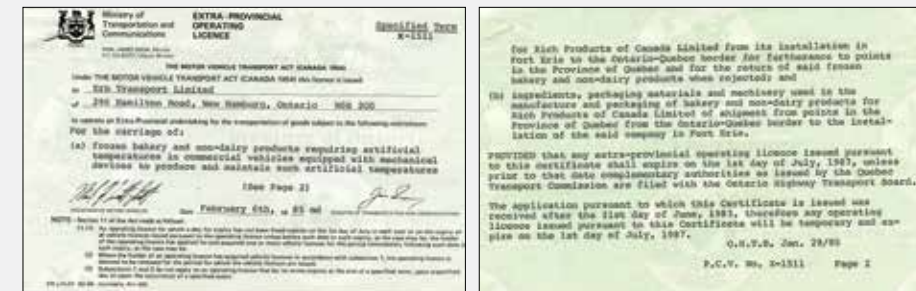
Consequently, one of the main reasons for the regulatory system was to regularize rates in order to protect trucking companies and their investments into expensive equipment. The most positive effect of regulation was that it created stable rates because rates could no longer be changed unless approved by the Highway Transport Board. If a company wanted to increase or decrease rates, notice had to be given to the Board 30 days prior to those changes taking effect. In this way, regulation created an open book environment where everybody could tell which company was charging what rates. Customers could use a competitor's cheaper rates in negotiations with their own carrier. Rates had to be exactly as published and were strictly enforced. If a company charged a rate that was not approved by the Board, it would be fined and eventually taken to court.

While many of the underlying reasons behind the regulatory system were valid, it made no sense whatsoever that a trucking company could haul a certain product for a customer but could not haul other related product for that same customer on the return run. By forcing trucking companies to run empty over long distances on return runs, the regulatory system made operating at a profit



1969 PCV License for hauling bulk and bagged feed.

difficult at times. Furthermore, in its almost exclusive focus on authority, the regulatory system failed to protect drivers and enforce safety standards. Under the regulatory system, highway scales were set up all across Ontario. When trucks pulled in to check their loads, the main thing the inspectors would check were weights and bills and whether the load matched the authority. It was only after deregulation came in that driving times were enforced to protect drivers. Vernon explains: "During regulation, all the scales officials were looking at was 'Can you haul it?' Are you over weight?' Safety meant nothing to them. They really could have cared less about safety, let alone for whether you had been on the road for three days and three nights straight. They never checked that kind of stuff. But after deregulation they really zeroed in on safety issues, and rightly so." Lawyers at specialized in the regulatory trucking market had a heyday, being in court day after day representing trucking companies applying or objecting to the granting of new licenses or the extension of existing licenses.



1985 PCV License for hauling frozen food and related packaging material and machinery for Rich Products.

Challenges and Opportunities: Erb Transport Operating in a Highly Regulated Environment

Although the PCV Act stipulated that trucking companies required an operating license, during the early days of *Vernon Erb Trucking*, Vernon had been able to operate without a license. As long as he was hauling eggs, no license was required because eggs and other farm produce were exempted from the licensing requirement. While operating his dump trucks, Vernon had not experienced any regulatory challenges either: although a license was required for gravel and some of the cheaper commodities and construction products, it was not difficult to obtain the required license for those kinds of products. As discussed above, Vernon was first confronted with the limitations imposed by the regulated system when trying to expand operations into general freight and refrigerated goods.

Although regulation was a proper way of eliminating some of the most pressing problems in the industry at the time, it turned trucking into somewhat of a cat and mouse game. Within the regulated system, competing carriers were forever watching each other, waiting for

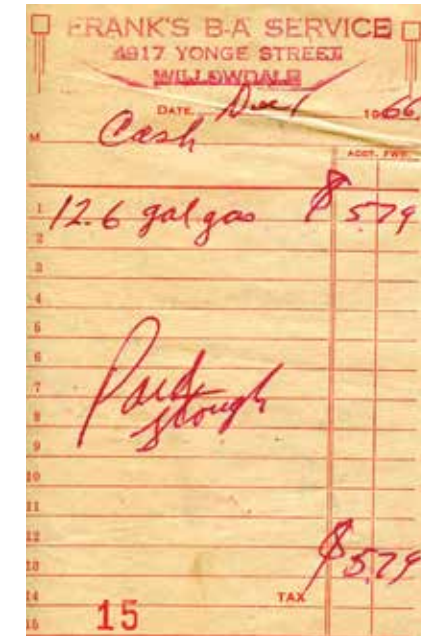


Vernon's 1966 work ledger.

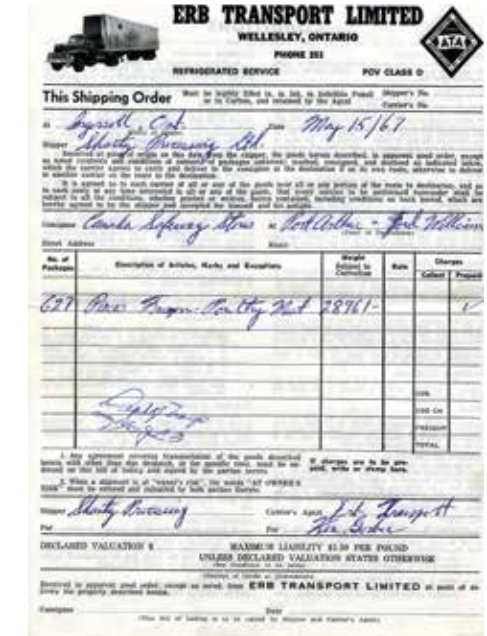
a competitor to make a wrong move that could be reported to the Highway Transport Board. It was common practice all over that when a trucking company went out of their assigned territory, be it geographically or in terms of freight, a competitor would report them to the Highway Transport Board. More than once, *Erb Transport* was reminded of the negative atmosphere which the regulatory system had created among competitors.

In the late 1960's, Vernon purchased further operating authority from his backyard neighbour, Clarence Falk, who ran a small trucking business out of Wellesley. The successful transfer of Falk's license allowed Vernon to carry feed to some of the local mills in a bulk feed truck, as well as providing authority to haul cheese from Schneider's Cheese plant in Wellesley to Apple Hill in the Ottawa area. Every Friday night, *Erb* took a load of cheese to Apple Hill and brought back empty cheese containers. One day, the *Erb* truck stopped at a lumber company in Baden on the way back from Apple Hill to load empty cases that company had made for that particular cheese factory. After Vernon had made his delivery, the owner of the lumber company called him and asked if he was not licensed to haul cheese containers out of Baden. Vernon replied that he was authorized to haul cheese for Schneider's, but that he was not quite sure about the boxes. The caller then told Vernon that he might be in trouble because one of *Erb's* competitors in Baden, who had rights for hauling out of that location, had happened to see him load and was about to report him. Although nothing ever came out of it in the end, this was the kind of hostile environment regulation had created.

After *Erb* obtained the limited license to haul frozen turkey products for Shantz Processing from their Ingersoll plant directly to their customers in Ontario, Vernon's drivers left a very favourable impression with many of the *Shantz's* customers over the next years; as a result, Vernon often received calls from these customers requesting *Erb* to provide transportation services to them for their own shipments as well. Although Vernon would have loved to pursue



1966 Gas receipt.



Shipping Order for Shantz Processing, 1967.

those opportunities, his operating authority was restricted to Shantz Processing, meaning that *Erb Transport* was not able to take advantage of any of that business. "These were frustrating times," Vernon remembers, "being offered work but not being able to do it. We made several attempts to apply for refrigerated authority for other customers and had numerous hearings in Toronto – but were always turned down." Most times, when *Erb* applied to haul for certain shippers other than Shantz Processing, their application for a refrigerated license was rejected by the Board based on the argument that other licensed carriers could handle the additional volume and that there was therefore no need to license *Erb Transport*.

Given the described difficulties in getting operating rights to haul for the public, the alternative to going through the lengthy process of applying for a new license and dealing with other carriers' opposition

in a drawn-out hearing process, was to purchase an existing authority from a carrier that was going out of business and have the Highway Transport Board transfer that authority to the buyer. By purchasing an existing company, the buyer would acquire that company's operating rights to haul enumerated commodities for named manufacturers or shipping companies between specified locations. During regulation, there was an industry publication, called the Ontario Gazette, which listed all carriers with PCV licenses and the areas and product categories they could serve. Competitors, who wanted to expand their capabilities, would keep an eye on businesses that held licenses of interest to them. When intending to make a strategic purchase, they would contact that company and make an offer to purchase the business together with that particular license. In other cases, they would keep an eye on the business that owned an authority of interest to them and would step in once the owners published their intent to retire and sell out to another trucking company.

Based on the realization that having the right license was crucial in order to attain success in the regulated market, Vernon always stayed on top of new developments and opportunities to purchase licenses. Wendell Erb remembers: "Someone else would read the newspaper at night; Dad would read the Ontario Gazette. He knew everybody's license and what was available, what the nuances were in terms of locations, products, limitations etc. He always knew what licenses were out there. Dad saw the value in this licensing. He would always know where the opportunity was."

It was through that publication that in 1968 Vernon became aware of *Zinkan Transport*, a one-man-trucking operation in Heidelberg, within ten miles of Wellesley, owned by Howard Zinkan, who held a license that Vernon felt would add to his trucking capability. Vernon always kept an eye out for this particular operator whose license granted its holder the authority to carry general freight to and from Heidelberg and within a 6-mile radius of that town, which included the city of Waterloo and the towns of St. Jacobs and Elmira, but

not Wellesley. In spite of the relatively big scope of that operating license, all Howard Zinkan had ever used it for was hauling two loads of grain a day from Goderich to *Hoffman Feeds* in Heidelberg.

While Vernon was operating his egg and dump trucks, he kept visiting Mr. Zinkan every now and again to inquire about whether he would be willing to sell that license to him. Vernon thought of acquiring Zinkan's as a great opportunity for obtaining a license that would allow him to expand into general freight in a close-by area. Furthermore, the fact that Zinkan had only one truck would keep the investment affordable. Every six months or so, Vernon would go over on a Saturday afternoon to reinforce the notion that if Mr. Zinkan ever wanted to sell, he would be very interested in buying his small trucking business. The first few times Mr. Zinkan was not interested in talking with Vernon at all; however, one Saturday he told Vernon that he was ready to sell. Seeing a great opportunity, Vernon negotiated a price right away and together they worked out a deal which Vernon thought was fair for both parties.

When Vernon discussed the arrangement with his lawyer Gordon McKay, the latter was concerned that *Erb* might experience difficulties with having Zinkan's license transferred over in its entirety. Mr. McKay expected that other trucking companies, following standard practice, would object and argue that it was a partially-dormant license that could only be transferred over within the scope it had been exercised by the previous owner. In order to avoid problems, Mr. McKay advised Vernon to have Mr. Zinkan do some hauling for Home Hardware and other companies in the area first before applying for a license transfer into Vernon's name. That way, Vernon would be able to prove to objecting competitors during the expected hearings that Zinkan's authority was in fact not partially-dormant. Zinkan's bills of lading for various customers would substantiate the claim that he had exercised his license fully before Vernon applied for the transfer. When Vernon and Mr. Zinkan talked about Mr. McKay's concerns and proposal, Mr. Zinkan agreed to use his authority in

the way suggested by Vernon's lawyer to ensure that Vernon would obtain the full license.

Following that decision, Vernon and Mr. Zinkan went to Walter Hachborn, the founder and president of Home Hardware, and inquired whether his company had a need for a licensed carrier to haul their merchandise in and out of St. Jacobs. Walter Hachborn was extremely supportive and suggested that he would have lots of business for Vernon locally in the future, under the condition that he was successful in having the Zinkan license transferred over to him. Walter Hachborn was further willing to give them a load of hardware to go to the Dunnville area right away. A few days later, Howard Zinkan and Vernon picked up a load of hardware and freight from Home Hardware and delivered it to Dunnville and Hamilton. In addition to taking on loads from Home Hardware, they also did some work for *Waterloo Ice* and a few other local companies.

In the meantime, Gordon McKay drew up an agreement which specified that the purchase price of \$20,000 would only be paid to Mr. Zinkan in full if the license was transferred in its entirety the way it had been granted to Mr. Zinkan originally. The contract further stipulated that in case the authorities deemed the license partially-dormant due to Mr. Zinkan's limited use of it in the past, the price would be reduced accordingly. Mr. Zinkan was not willing to accept those conditions; he wanted \$20,000 for the truck and for the business regardless of the extent to which the license would be transferred to the buyer.

With Vernon's lawyer remaining skeptical and Mr. Zinkan not accepting their proposition, Vernon left the matter with Mr. Zinkan for the time being, hoping that the latter might have a change of heart. When Vernon went back to Mr. Zinkan on Saturday a week later, he was disappointed to learn that the latter had sold his business and license to a third party in the meantime. Vernon was seriously frustrated because he had truly felt that Mr. Zinkan's license was

exactly what he needed to make an inroad into the heavily-regulated freight-hauling business. Zinkan had sold the license to *Class Cartage* in Guelph. As expected by Vernon's lawyer, the buyer did experience objections with competitors claiming that it was a partially-dormant license. In spite of those objections, however, Class Cartage was able to have the license transferred over to them eventually.

Vernon felt strongly about going into general freight as a way of growing his business. In order to assess his potential for expanding into that category, he began talking to several companies, asking whether they would give him their business in case he obtained a proper license that would allow him to haul freight for them. Thus, after the Zinkan deal had fallen through, Vernon and Milo Shantz went to the *Zehrs* warehouse in Waterloo. Vernon was able to benefit from Milo Shantz's connections with that grocery chain. In talking to Vernon and Milo, the *Zehrs* representatives suggested that if Vernon got a license for hauling in and out of Waterloo, they would definitely give him some business. With Walter Hachborn of Home Hardware having told him the same thing, Vernon felt certain that obtaining a matching license was the only way for him to grow his business locally.

Shortly after this time, a produce-hauling license became available in Leamington, Ontario. That particular authority authorized its holder to pick up produce in Leamington and haul it to anywhere in Ontario, providing it came out of the Leamington area. Vernon thought that license to be a great fit for a number of reasons: first of all, transporting produce required refrigerated trucks and Vernon's fleet already included several refrigerated trucks by that time. Second, as *Erb* was going all over Ontario hauling turkey for the Shantzes, the Leamington license would allow them to balance their loads by assembling return loads from the Leamington area. With that license, when delivering in Windsor, for instance, the *Erb* truck could come back to Leamington, load produce there and come home without having to run empty.



Staff picnic at Bingeman Park, 1969.

Determined to acquire that piece of authority, Vernon went to Leamington and met with the seller. Throughout their conversation, he learned that the asking price for the produce license as well as for an old pickup truck was \$5,000. At that price, Vernon was instantly convinced. A week or two later, he went down to Leamington to finalize things; to his great surprise, he was told that the seller had sold the license to someone else in the meantime. Greatly disappointed, Vernon wondered why he had missed out again. In retrospect, not getting the Leamington license was a blessing in disguise. As it turned out, the license was never transferred because it had been entirely dormant for years.

Within weeks of losing out on that second opportunity, Vernon was able to acquire a refrigerated license that allowed him to haul in and out of any location in Ontario. That particular license would ultimately become responsible for the *Erb* success story. Vernon later fully realized why he had failed in getting those other two authorities that he had felt at the time fit his plans so well: "Sometime later I realized

the Lord had altogether different plans for us. His ways are so much higher than our ways and his thoughts are so much higher than our thoughts. The Lord had plans down the road, something that was far, far greater and what he had in mind would really get us into business."

Building the Original Erb Team

Several long-time associates, who are looking back on a career with the company of over 40 years, joined *Erb* during the 1960's while the company was still operating out of Wellesley. The first four drivers – the Gerbers and Vernon's first cousin Delton (Delt) Erb – had been farm boys from the area. As he had known them and their families for many years, Vernon naturally trusted them. Ken Gerber and Floyd Gerber would stay with the company long-term, assuming management positions and retiring after 47 years (Ken Gerber) and 39 years (Floyd Gerber). Continuing with the company part-time even today, their trajectories have set the example for many long-term careers at Erb.



Staff Christmas Banquet, 1967. From L to R: Mel Gerber, Mike Stemmler, Harold J. Gerber, Harold C. Gerber, Ken Gerber, Delton Erb, Vernon Erb, Chaplain Jim Keyes (Founder of Transport for Christ), Wendell and Karen Erb.

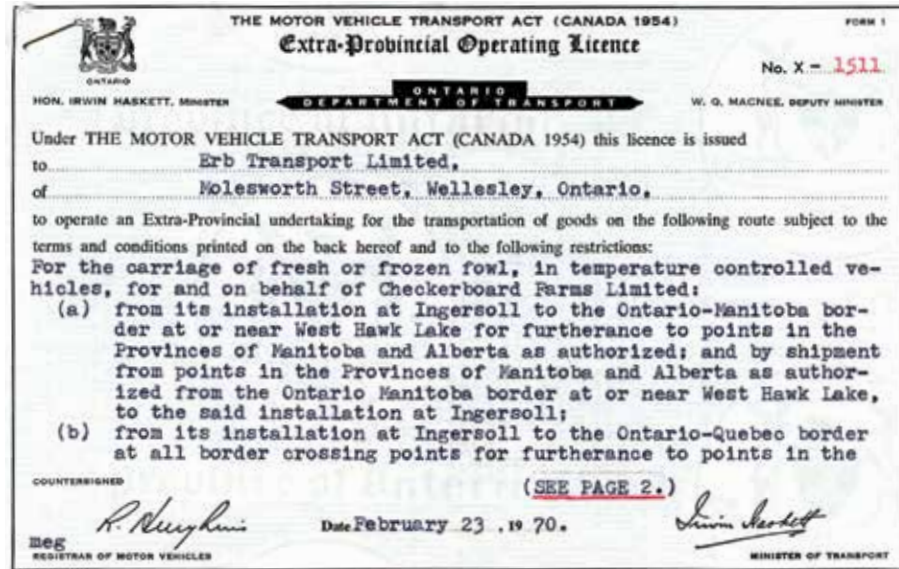


Ken Gerber becomes the first employee to celebrate 25 years with Erb, 1989.

Getting into Long-Haul Trucking: Hauling Checkerboard Farms Turkeys to Winnipeg, Thunder Bay and Montreal

In 1967, two years after Vernon had started hauling turkeys for them, the Shantzses sold their processing plant in Ingersoll and Shantz Processing became Checkerboard Farms, which was owned by *Ralston Purina*. In addition to taking over the Ingersoll turkey processing plant, Checkerboard also processed chickens in Aurora. Due to *Erb's* great reputation at the Ingersoll plant, Checkerboard not only continued to give their Ingersoll business to *Erb*, but soon after also began using *Erb* for hauling their chickens to Southwestern Ontario. In order to be able to truck chickens out of Aurora, Vernon needed yet another license, which he obtained without major difficulties. Being able to service Ingersoll and Aurora created a good balance: *Erb* would take a load of frozen turkey from Ingersoll to Toronto, then go to Aurora to pick up chickens there and deliver them throughout Southwestern Ontario.

One winter, Jim Rix, who was the sales manager at Checkerboard, started selling frozen turkeys to *Safeway* stores in Winnipeg. *Erb* was not very busy during that winter and had two reefer trailers available. Mr. Rix offered Vernon \$2.25 per hundred pounds for hauling the turkeys, but since *Erb's* license was only valid for deliveries inside the Province of Ontario, their truck was technically not authorized to go extra-provincial. In order to truck the product out to Winnipeg in a legal manner, *Erb Transport* purchased the entire load from Checkerboard before making the haul. As the sole owner of the load, *Erb* could haul their own product anywhere they wanted as licensing restrictions under the PCV Act only applied to carriers of product that was owned by a third party. Under that arrangement, Safeway would then write out a cheque to *Erb Transport*. Although constituting an intentional circumvention of the regulatory system, the arrangement was entirely legal and quite common among carriers at the time. Without this ability, it would have otherwise been impossible for



1970 PCV license for Checkerboard Farms.



Lifting the front end of the trailer off truck # 05 at the Wellesley Yard, 1968.

carriers to meet the extra-provincial transportation needs of their regular customers.

Ken Gerber took the first load of turkeys to Winnipeg in a gas tractor. That first run required him to drive through Northern Ontario in the middle of the winter. Knowing that Vernon was concerned about his personal safety, he made sure to phone in to the office every day to update them on how he was doing. Vernon looked at the Winnipeg run as a fill-in job right from the beginning. As a result, there was no sense of loss when after a few loads *Erb Transport* bowed out of the Winnipeg route after realizing that it was too far and that they did not have the right equipment.

Jim Rix, who liked working with *Erb Transport*, then offered them the opportunity to haul product to Safeway stores in Port Arthur and Fort William. In 1970, the two communities merged to become the new city of Thunder Bay. Melvin, Ken, Floyd, Harold C. and Harold J. Gerber were the first *Erb* drivers to run loads to Thunder Bay. While delivering frozen turkeys to the six Safeway stores in the city, they developed a great relationship with Paul Speck, Safeway's meat manager in Thunder Bay. He really liked the *Erb* drivers because the five Gerbers went out of their way during their deliveries.

The main problem with the Thunder Bay lane at the time was that after unloading in Thunder Bay, *Erb* trucks were coming back home empty, as there was no product that would have matched their limited authority going south. Although *Erb* enjoyed the opportunity of getting into some long-haul trucking, the company was losing money going into Thunder Bay. The rates they were charging were simply not creating enough revenue for coming home empty. Furthermore, going through the hills of Northern Ontario in gas trucks was pretty grueling for the drivers and the equipment. In 1966, realizing that their old gas tractors were not well-suited for those long-haul routes through Northern Ontario, *Erb* invested in their first diesel tractor, a used International 2000 D.

As *Erb's* relationship with Paul Speck intensified, he repeatedly asked Vernon to haul other product for Safeway out of Southern Ontario and Toronto into Thunder Bay as well. Safeway had several suppliers there, such as *Piller's*, *Siena Foods*, and a number of small packers that produced specialty meats. Although he would have loved to take on those additional assignments, Vernon had to turn him down because *Erb's* authority into Thunder Bay was limited to hauling for Checkerboard exclusively.

In spite of those restrictions, opening the Thunder Bay lane was *Erb Transport's* first real exposure to long-haul trucking. It was an important milestone because it opened the door for another lane to Montreal and Quebec. However, in order to deliver directly into that Province, *Erb* was required to obtain a license from the Quebec authorities first, as Quebec was regulated in a manner similar to Ontario. To everybody's surprise, and in spite of different trucking companies with rights into Quebec objecting, *Erb* managed to get the additional authority to deliver from Ingersoll to Montreal. From then on, *Erb* was hauling frozen turkeys from Ingersoll to Montreal, Thunder Bay as well as to different destinations in Southwestern Ontario.



John Erb and Vernon repairing a trailer at John Erb's farm, 1966.

Going into the Maritimes for Home Hardware

Around the same time that *Erb* was going into Thunder Bay on a regular basis, Walter Hachborn, the founder of Home Hardware, remembered Vernon from their earlier meeting when Vernon had tried to purchase Zinkan's general freight license that would have included St. Jacob's, the headquarters of Hachborn's Home Hardware chain. Walter Hachborn contacted Vernon and asked him whether he was interested in pioneering his company's runs to the Maritimes, shipping out of the St. Jacob's warehouse and delivering straight to Home Hardware stores on the East Coast. Until this time, Home Hardware merchandise had been shipping by rail. Looking for greater flexibility and better service, Walter Hachborn's immediate concern was getting shipments from St. Jacobs to the Maritime Provinces, as Home Hardware's dealer network and volume was rapidly expanding across Canada.

With the turkey business being somewhat seasonal, dropping off significantly in the wintertime and during the spring, the suggested run to the Maritimes would provide *Erb's* drivers with work throughout the low season. Although hauling for Home Hardware was a welcome opportunity in that regard, the prospect of going into the Maritimes was not something that appealed to Vernon at first, as he was more interested in Home Hardware's local business. He also knew that he would not be able to get authority through Quebec, New Brunswick and Nova Scotia, as he would have to apply for rights for each of these Provinces separately. Instead of having *Erb* act as an independent carrier and forcing Vernon to go through the drawn-out application process for licenses in each Province, Walter Hachborn, following established practice, favoured *Erb* leasing a tractor-trailer to them and hauling the freight in Home Hardware's own name. With the help of Vernon's lawyer, Gordon McKay, who happened to be Home Hardware's lawyer as well, they drew up a leasing agreement between *Erb Transport* and Home Hardware. Based on that agreement, *Erb* leased their tractor and reefer trailer to Home Hardware for a set rate per mile (usually 2,200 miles a week).



The Home Hardware truck on the way to Nova Scotia.

Leasing the equipment to Home Hardware and having *Erb's* driver officially become a Home Hardware employee would solve the complicated issue of licensing; however, in order to make the long haul to the East Coast financially viable, they still needed a return load that would pay for the return trip. To make matters even more complicated, the goods coming back would also have to be Home Hardware freight in order to remain within licensing requirements. In the end, Home Hardware purchased loads of frozen fish offal (mink feed) at Riverport, Nova Scotia, which was then re-sold to *Finnie Distributing* in St. Mary's, Ontario, who also paid for the cost of transportation. That way, *Erb* and Home Hardware's complicated arrangement was not only legal, but financially viable as well. Not surprisingly, the authorities were perplexed as to why a reefer trailer was hauling hardware to Eastern Canada, and why a hardware chain would haul frozen fish back to Ontario. Although the arrangement was investigated several times, it was deemed entirely legal. With that stamp of approval, *Erb* never applied for licenses in the Maritimes.

Ken Gerber pioneered *Erb's* first run to approximately 10 to 12 Home Hardware stores in the Maritimes, driving a 1965 2000 D non-sleeper tractor. On the first or second trip, Vernon went with him. It was a trip he will never forget. After driving day and night, they met with Walter Aylward, the Eastern manager for Home Hardware, somewhere along the delivery route. Having keys for most of the stores, Mr. Aylward travelled ahead and Vernon and Ken delivered all night. At some point, Vernon would lie down in the back seat of Mr. Aylward's car to get some rest while they drove from town to town. When the deliveries were completed, they drove to Riverport, Nova Scotia, to pick up the return load of frozen fish. On the backhaul, Vernon and Ken needed to move quickly through Nova Scotia and New Brunswick so that they could be through Quebec before Saturday at midnight since trucks were not allowed on the highway from 12:00 a.m. Sunday until 12:00 a.m. Monday morning in Quebec. Although they ran into severe weather on the Saturday while travelling through Quebec, Ken was persistent and they finally reached *Real's Truck Stop* at the Ontario/Quebec border just hours before midnight. With both of them being utterly exhausted, Vernon wondered what in the world they had gotten themselves into.

Trucking store merchandise into the Maritimes was an experimental venture for Home Hardware and Walter Hachborn was very pleased with the results. Ken Gerber left every Sunday night and returned on Friday morning on what quickly became a weekly run. Ken vividly remembers those early drives to the Maritimes in his day cab 2000 D International, equipped with a 250 Cummins engine and a 4x4 transmission: "There were many breakdowns with wheel bearings on the trailer as well as the lift axle on the tractor, but somehow we always made it through." When Ken returned from his weekly run on Friday morning, Vernon, or one of their other drivers, would take the load of fish to St. Mary's and unload, wash out the trailer to get rid of the fish smell, fix the reefer and take the trailer to Home Hardware on Friday night for re-loading so that it would be ready again for the next run on Sunday night.

Realizing that this was an excellent schedule, Vernon and Walter Hachborn decided to make it a permanent agreement. However, for Ken to go every week, he needed a tractor in which he could get some proper rest. In July of 1968, *Erb* bought their first new sleeper-tractor, an International 4000 D (#312) from Ted Dietrich's. Almost instantly, the new diesel tractor was the talk of the town. Viola was pregnant with Darryl at the time. During her regular visits to Dr. Clayton Sellers, the doctor enjoyed talking about trucks. On one of her visits he asked: "How many miles do you expect to get out of that truck before it needs an overhaul?" to which Viola quickly replied: "Well, Vernon says that it should run at least 200,000 miles." When Viola told him about the conversation that night, Vernon felt that she had exaggerated a little because their gasoline-powered trucks only averaged between 80,000 and 100,000 miles before an overhaul was needed. To Vernon's surprise, the diesel ran over 400,000 miles before it required any engine repairs, which in those days was exceptional. In contrast, many of today's modern truck engines run for a million miles. Vernon attributes the high mileage they got out of that truck first and foremost to the fact that Ken Gerber was an exceptional driver who was easy on the equipment.

Ken Gerber did the weekly run to Eastern Canada for two-and-a-half years, and usually had to do on-the-road repairs on the gas-powered reefer every week. He always managed somehow to keep the fish loads frozen by stringing wires from one terminal to bypass non-functioning solenoids, or connecting the tractor's electric system to the reefer units. The weather on the Maritimes route was always unpredictable, with snowstorms and fog. Ken remembers one trip when coming back through Quebec along the St. Laurence River, he and his cousin Orie Jantzi who accompanied him, ran into a bad snowstorm. The two men were stranded on the snow-blocked highway for a day and night without food. When the storm blew over and the snowblowers came through "there was a snowbank across the road as high as a truck."



Ken Gerber loading fish product for the return trip from the Maritimes in Riverport, Nova Scotia, 1968.



*Ken Gerber leaving the Wellesley Cider Mill yard for Nova Scotia in truck #312, *Erb's* first new Diesel cabover (COE4000) in 1968.*



Ken Gerber on the 2000D tractor during one of Erb's first Home Hardware runs to Nova Scotia.

Floyd Gerber regularly joined his older brother Ken as a secondary driver on the trip to the Maritimes. He remembers: "We worked as a team; my brother Ken was a primary driver and I was one of two secondary drivers. Ken would go every week and I would trade off with the other driver going every second week. It was probably the best learning experience I could have ever asked for; we'd get all kinds of weather conditions, and just the learning time behind the wheel and the equipment was invaluable for me as a young driver."

Vernon and his company had an excellent relationship with Home Hardware and their founder and president, Walter Hachborn.



The restored Home Hardware truck # 312 on display at Erb's 30th anniversary celebration in 1989.

Erb drivers Ken Gerber, Melvin Gerber, Harold C. Gerber, Melvin Wagler, Floyd Gerber and Paul Boshart continued hauling freight for Home Hardware well into the 1970's. After obtaining the unlimited refrigerated license in 1970, however, *Erb Transport* grew at such a fast rate that Vernon decided to discontinue the Home Hardware runs in order to have the equipment available for *Erb's* ever-growing need to serve their customers in the food industry.

To this day, whenever Vernon and Walter Hachborn meet, they discuss and compliment one another on the tremendous growth they have witnessed in both of their companies. Vernon always

feels good when he sees Home Hardware trucks on the highway. It means a lot to him that *Erb Transport*, in a small way, contributed to Home Hardware's transportation needs back in the late 1960's and early 1970's and that Walter Hachborn and his company in return, contributed to *Erb's* growth and stability in those early years.

Wellesley Operations and the Impact of Business on Family Life

As is typical for many family businesses, during the early years of *Vernon Erb Trucking* and *Erb Transport*, there was no real separation between home and the business. With the fleet merely consisting of a few trucks and the business run out of home, Viola served as business manager while Vernon was on the road. When Vernon had started out with just one dump truck, the young couple was living in a rental apartment in Wellesley with no phone for the first six months. Whenever there was a message, they had to go downstairs and use their landlord's phone. During that time, Vernon parked his dump truck at the Wellesley Fairgrounds.

Viola and Vernon remained in that apartment until they bought their first house in Wellesley in August of 1961. There was not a lot of office work yet and Viola did all the bookkeeping, answering the phone, as well as looking after payroll. Floyd Gerber remembers: "On pay day we would go to their house and knock on their door, Viola would come to the door and give you a brown envelope with your pay, in cash." Back then, payroll and the books were all done by hand; each month Viola would take the books to Milo Shantz's accountant, Dave Howie, who prepared the financial statements. In 1970, *Erb* brought in consultants who introduced Viola to a one-write system. Shortly prior to the company's move to New Hamburg, Viola hired a young woman to help her with the invoicing. Viola's first salary in the company was \$25 a week. In comparison, rent for Vernon and Viola's apartment was \$35 a month. When Darryl was born on November 27, 1968, Viola literally did the payroll for that month in

the hospital. During the daytime, Darryl's bedroom in the family's Wellesley home served as the company's office, with Darryl's crib being right next to the company desk.

Throughout the 1960's and early 1970's, *Erb* had three different locations in Wellesley. After parking their trucks at the Wellesley Fairgrounds at first, the company's first real location was *Kennel's Egg Grading Station*. The move into that location in 1965 became necessary when Vernon started working for the Shantzes and acquired new trucks to serve their transportation needs. Doug Kennel was a friend of Vernon's and Vernon was very grateful to him for letting him park his trucks in the egg station's yard. When after Doug's tragic passing *J.M. Schneider's* bought the plant, Erb had to move again. Thus, in 1966, the *Wellesley Cider Mill* became *Erb's* second location in Wellesley. It was a very basic facility that was owned by Ralph Jantzi, another good friend of Vernon's. While operating out of that location, *Erb* had a total of six trucks. In the absence of a loading dock, Vernon and his drivers used a flatbed trailer from which they transferred loads onto the trucks.

In 1969, as the business continued to grow, operations moved to the former *John Deere* dealership and shop in Wellesley. Like the Cider Mill location, it too had previously belonged to the Jantzi family. While operating out of that location, *Erb* continued to transfer freight by using a flatbed trailer that was parked in the yard. It was from there that *Erb Transport* eventually moved to New Hamburg in October 1971.

In the early days, driving experience on specific equipment was of no concern when hiring a new driver. Similar to Vernon, *Erb's* early drivers had grown up on local area farms, and so like Mr. Sindall, when hiring Vernon in the 1950's, Vernon simply assumed that as local farm boys they knew how to drive a truck. As a result, after some personal instruction, they were sent their way. Floyd Gerber's experience is representative of drivers who joined the company in



The fleet in the Wellesley Cider Mill yard in 1967.

the early years of *Erb Transport*. When he was hired by Vernon as a young man he had driven the farm pickup truck and had gained some experience with driving a bulk straight truck for a local feed mill. He remembers: "One year later I was hired to drive the brand new *Erb* bulk feed truck. To this day, I still marvel at Vernon's patience and tolerance as he listened to the grinding of gears while he taught me how to shift a 5x4 dual transmission. And so began an amazing career that provided no end of opportunity as *Erb Transport* grew and expanded."

Erb's corporate operations manager Wayne Baechler, who joined the company part-time in 1969 and full-time shortly after, was another early hire. A local New Hamburg boy, his connection with the company goes back to his childhood: from riding on the dump truck with Vernon whenever he got a chance; through helping clean and reload the trucks at night part-time at the Wellesley yard, until being asked by Vernon to drive truck for him. Wayne remembers: "The first time he let me go anywhere, he sent me off with a tractor-trailer. I



Erb's RF 190 Bulk Feed truck at the Shantz Turkey Farm in Plattsville, 1968.

had driven a tractor-trailer, but always with one of the other drivers, never on my own. I said to Vernon: 'I don't know if I can do it,' to which Vernon replied, 'If you can back up a hay wagon, you can back up this tractor-trailer.' That was my training at the time. He gave not just me, but everybody that opportunity to learn; he had trust in his people and Vernon really had a good knack for people who he would hire. There was a sense at the time that if you're born and raised on the farm, you've got a job at *Erb Transport*."

Although *Erb* experienced growth during this time, the licensing system limited their opportunities. Floyd Gerber remembers: "In the late 60's to the early 70's we had some growth, but we were restricted to hauling the eggs we picked up at the farms, the feed we were trucking, and the work we were doing for Shantz Processing/Checkerboard Farms and Home Hardware. That was pretty well what we could do unless there was any other type of business that didn't require licensing."





The Breakthrough Years

Erb in the 1970's

CHAPTER 3

Business Development in the 1970's

Vernon's ability to purchase an unrestricted license for the hauling of refrigerated and frozen goods to and from any location in Ontario in 1970 changed the direction of the business and laid the foundations for *Erb* becoming one of Canada's largest refrigerated carriers. Major customers throughout the 1970's were Checkerboard Farms, *Burns Meats*, *F. W. Fearman's Meats*, Canada Packers, J.M. Schneider's and many other meat packers; red meat was the main commodity shipped on *Erb* trucks. In the fall of 1971, *Erb* moved from the former John Deere dealership in Wellesley to New Hamburg. The new facility on Hamilton Road accommodated the company's exponential growth throughout the 1970's that followed the acquisition of the unrestricted license. From 13 associates in 1970, *Erb* grew to 165 full-time and part-time employees and owner operators by the end of the 1970's.

The 1970's were a period when many of *Erb's* long-term people joined the company, including most members of today's senior management team. Growth extended to all areas of the business: people, lanes, terminals, and equipment. From the company's new home base in New Hamburg, *Erb* began establishing its terminal network by opening a terminal in Toronto (1971) and placing a driver and a straight truck for cross-docking and delivery in strategic locations, such as Thunder Bay. The Toronto terminal quickly grew into the hub of operations, while the company's presence in Thunder Bay helped develop a special creativity in balancing loads that has become an important part of the *Erb* success story. Throughout the decade, *Erb* grew primarily on the refrigerated LTL (less than truckload) side, which has remained a particular strength of the *Erb Group of Companies* ever since. By the end of the 1970's, *Erb* was well established as a carrier of refrigerated and frozen meat products with particular emphasis on LTL and DSD (direct store delivery) shipments.

The Breakthrough – Acquiring an Unrestricted Refrigerated Product PCV. License (1970)

When Checkerboard Farms grew their business by adding two facilities in London and Aurora, *Erb* added more trucks and trailers to their fleet in order to meet their customer's increased transportation needs. *Erb* had built a good reputation and rapport with Checkerboard as well as with the people at the stores they delivered to. One day, Checkerboard's sales manager, Jim Rix, called Vernon and told him that *Loeb* in London, a grocery chain that Checkerboard was supplying to, was very pleased with how *Erb's* drivers delivered to their stores in Southwestern Ontario. During that conversation, Mr. Rix told Vernon that the *Loeb* supermarket chain was losing their carrier and had expressed interest in hiring *Erb* to haul their frozen and refrigerated product from different shippers in Toronto to their warehouse in London. Although he was delighted by the recognition, Vernon had to decline because he did not have a license for carrying refrigerated goods in-between those locations. Knowing that *Lewis Transport*, one of the two unrestricted license holders for refrigerated goods in Ontario, was servicing *Loeb's* on that lane, Vernon felt he would never get a license for that run as he expected *Lewis* to raise objections in the event that he applied for authority to the Highway Transport Board.

Vernon told Mr. Rix of his concerns, but the latter insisted that Vernon phone *Loeb's* representative in London nevertheless, and tell them that *Erb* could not help them out. Vernon, who had many other things on his mind at that time, thought to himself "There is no point in calling *Loeb* only to let them know that we cannot do it" and therefore did not follow Mr. Rix's advice. A few days later, Mr. Rix called him again and asked whether he had called *Loeb's* representative. "Please phone him and at least tell him that you cannot do it. I promised them that you would call," he insisted.

Vernon reluctantly made the call and talked to *Loeb's* frozen food buyer, informing him that *Erb* was not licensed to haul refrigerated or frozen product aside from carrying Checkerboard product. Throughout the conversation, Vernon asked the *Loeb* representative why they were contemplating a change away from *Lewis* to *Erb*. To his great surprise, he learned that *Lewis* was shutting down their refrigerated business. Mr. *Lewis* had passed away a few years earlier, and following the loss of the company's founder, *Lewis Transport* had lost ground to *Humes*, the other main refrigerated trucking company in Ontario. As a result of those and other considerations, the *Lewis* family had decided to phase out their refrigerated operations.

The *Loeb* representative continued by saying that since their current carrier was discontinuing its reefer service, they did not want to lose *Erb* as their alternate carrier. From the conversation, Vernon learned that *Lewis* had sold out to *ICL Transport*, a large carrier for *General Motors* with many trucks running between Windsor/Detroit and Oshawa, hauling general freight car parts in particular. Due to *ICL's* character as a general freight carrier, *Lewis's* refrigerated license was of no interest to them. They had bought *Lewis* mainly because part of that acquisition was a second PCV license that allowed its holder to haul general freight to and from St. Catherine's and Toronto. With *General Motors* having an engine plant in St. Catherine's and a *Frigidaire* plant being built in Toronto at the time, that license was of strategic importance to *ICL* as they were trying to increase their market share in the general freight segment.

When Vernon heard that *ICL* was not overly interested in *Lewis's* refrigerated license, he decided to contact *ICL* president Saul Lederer in Detroit. When he got him on the phone, Vernon asked what *ICL* intended to do with the refrigerated license they had acquired as part of the purchase of *Lewis Transport*. Mr. Lederer replied that he was accepting bids at the current time. "Send us ten percent of what your bid would be as a deposit and make us an offer," he suggested. Vernon was instantly excited. "What an opportunity!" he thought to himself.

Mr. Lederer further told Vernon that *ICL* would make a decision within a week's time as to which bidder would get that license. Vernon, who had battled with *Lewis* and *Humes* in court many times, had never thought that he would ever be in a position to purchase an authority of that scope. After all, *Lewis* had been one of only two carriers in Ontario who had the unrestricted authority to carry in and out of any location in the Province. In the regulated trucking industry that license was worth gold; Vernon was only too aware of the fact that the authority he was bidding for had been responsible for *Lewis's* growth and development into a leading carrier for refrigerated and frozen products. As *Lewis* and *Humes* had always objected when *Erb* had tried to obtain smaller refrigerated licenses, Vernon had known for years what market share they had in the Ontario trucking market. "I never dreamed of ever owning one of their licenses," Vernon reflects.

Upon realizing that there might be an opportunity to purchase the *Lewis* license, Vernon was determined to pursue it. Eager to learn more about it, he called Mr. Lederer again, and in his unobtrusive manner, convinced the latter to meet with him for a conversation. Vernon was hoping to learn about *ICL's* expectations in regards to a purchasing price for the license. When the two men met in Mr. Lederer's office in Detroit, they visited for quite a while. During that meeting, Mr. Lederer was impressed with Vernon's vision and determination. By the time the meeting was over, Mr. Lederer said to Vernon: "I would like to see you get that license." Alternatively, he asked Vernon whether he would be interested in working for him in case *ICL* decided to keep the license and create a new refrigerated business under their own name. Vernon declined the offer and reinforced that the only thing he was interested in was buying the license. This is when Mr. Lederer suggested \$50,000 as the purchasing price. "If you can pay me that amount with 10% down, we've got a deal."

When suggesting a price, Mr. Lederer left no doubt in Vernon's mind that if he came up with the money, the license would be his.

As he contemplated the scope of that opportunity, Vernon was more determined than ever to go through with the deal regardless of the significant price tag attached to it. There were a significant number of major food companies, such as *Swift*, Canada Packers and *National Grocers* listed as named shippers on that authority. With that license, Vernon would be allowed to carry both refrigerated and other freight for them. The most important part of the license, however, stated that the license holder had rights “for the carriage of frozen foods in refrigerated trailers,” without providing any limits in regards to specific shippers or geographical areas. What made that license so valuable in the highly restricted market of the day was that it provided exclusive rights to haul not only for some enumerated major meat packers, but further included the authority to truck refrigerated product for anyone to and from any point in Ontario, without any restrictions. As he fully understood the significance of that license, Vernon, without having talked to his lawyer, told Mr. Lederer that he would purchase the Lewis license from him.

In spite of his determination to buy the authority, Vernon had no idea as to where he would get the \$50,000 to fund the purchase. After returning from Detroit, he spoke to his lawyer, Gordon McKay, who was not sure whether spending \$50,000 for a piece of paper was a wise decision. Putting the \$50,000 into perspective, *Erb* had paid \$22,000 for the first new highway sleeper tractor they had bought in 1968. More regular trucks were selling for \$15,000 at the time. Buying that license cost Vernon the equivalent of two big sleeper tractors— a major investment for a small trucking company as *Erb* still was back in 1970.

Gordon McKay was a fine general lawyer who represented various trucking companies and understood the regulated market very well. He was highly respected by the Chairman of the Highway Transport Board. Although unsure whether buying that license was the best option considering the hefty price tag attached to it, he left it to Vernon to decide. Mr. McKay said: “Vernon, \$50,000 is a lot of

money. Do you really think that piece of paper is worth that much?” to which Vernon replied: “Do you realize how many times we have been to court to get small authorities that in the end did not amount to much? With this license, we can get authority for refrigerated and frozen product to and from anywhere in Ontario. In my mind, that is worth the investment.”

Mr. McKay then drew up the purchasing agreement and had it signed by both parties. Following this, Vernon applied to the Highway Transport Board for a transfer of the class D license from Lewis to *Erb*. Once the application was made, it took about six months for it to go through, as the application had to be put into public notice. Several months would pass if there were objections; with more time set aside for public hearings. As expected, Humes Transport, the other main refrigerated trucking company in Ontario at the time, raised objections. Their main argument was that the Lewis authority was a dormant license because Lewis had allegedly not used it any more prior to ICL taking over the company. *Erb* easily disproved that objection and provided counter-evidence that Lewis had in fact been hauling refrigerated product pretty much to the last day of operations. Furthermore, the Board upheld that in its role as the Province’s main regulatory authority it would not allow one single carrier to hold an exclusive license for refrigerated goods in Ontario without any competition.

After sitting through hearings in August 1970, *Erb*, at the beginning of December 1970, received a letter from the authorities stating that the Highway Transport Board had authorized the license transfer. Vernon was ecstatic: “Somehow, it was only the Lord’s doing; we got it totally unexpectedly when a lot of the bigger companies would have been interested in that license as well.”

Vernon had from May until December of 1970, that is from the application through the hearings to the actual transfer of the license, to raise the \$50,000. *Erb* had about \$5,000 in their company account at the time, and Vernon used that money to put a deposit

on the license. When Vernon had agreed to the deal, *Erb* did not even have an overdraft with the bank. The company was still so small that they were working solely on the cash they generated. The banks would not give him \$45,000 because Vernon could not provide any security for the loan. If the money had been borrowed for the purchasing of vehicles or property, he could have borrowed against their value. Being a piece of paper, however, the license had no secured value from the banks’ perspective.

With very little experience with the banks, Vernon was not sure where to get the money he needed to follow through with his plan to purchase the Lewis license. Milo Shantz, who through his previous involvement with *Erb* owned about 25% of the company together with his brother Ross, was naturally interested in seeing Vernon succeed. When approached by Vernon, Milo went to the bank and guaranteed the loan, allowing *Erb* to get the money they needed to complete the purchase. In exchange for that guarantee, Milo obtained the option to buy up to 50% of *Erb Transport* within two years. To this very day, Vernon feels grateful for the Shantzes’ part in *Erb Transport* and for Milo making it possible for him to come up with the purchasing price for the crucial license that put *Erb Transport* on the map and allowed Vernon to grow his business into the company it is today.

The purchasing of the former Lewis license in 1970 marked a breakthrough and was key to *Erb’s* growth and specialization in hauling refrigerated goods. With no restrictions on trucking refrigerated or frozen food to and from anywhere in Ontario, that license opened the door to obtaining a great number of new customers. Equipped with that authority, all it took to acquire business from the large meat and food processors in the Province, including J.M. Schneider’s, F.W. Fearman’s Meats (now *Maple Leaf Foods*), Burns Meats, Canada Packers and others, were a few phone calls to let them know that *Erb* could carry for them without restrictions. The potential to expand was virtually unlimited; all of a sudden, *Erb Transport* was able to supply long-haul services for any meat packer in the Province. Knowing that

other companies had placed bids for that valuable license as well, Vernon thanked the Lord many times for allowing him to obtain that special piece of authority. “It is because of that authority that we are what we are today as a company,” Vernon concludes.

The new authority forced *Erb* to grow very quickly. As new orders kept coming in, *Erb Transport* could not even begin to keep up with the growth at the beginning. Floyd Gerber remembers the immediate impact of the unrestricted license on operations in Wellesley: “Once we got that operating authority, it was like flinging open the doors. We were hauling product we had not seen before. We got involved with all major meat-packing plants and most of our new business wasn’t even solicited. Packing plants were all expanding at the time, and as they were looking for carriers who could haul their product they became aware of us. We had no sales staff, and yet we started to grow like crazy. Our flatbed trailer at the John Deere dealership in Wellesley which we used for docking became way too small within a very short time, and it would just keep expanding.”

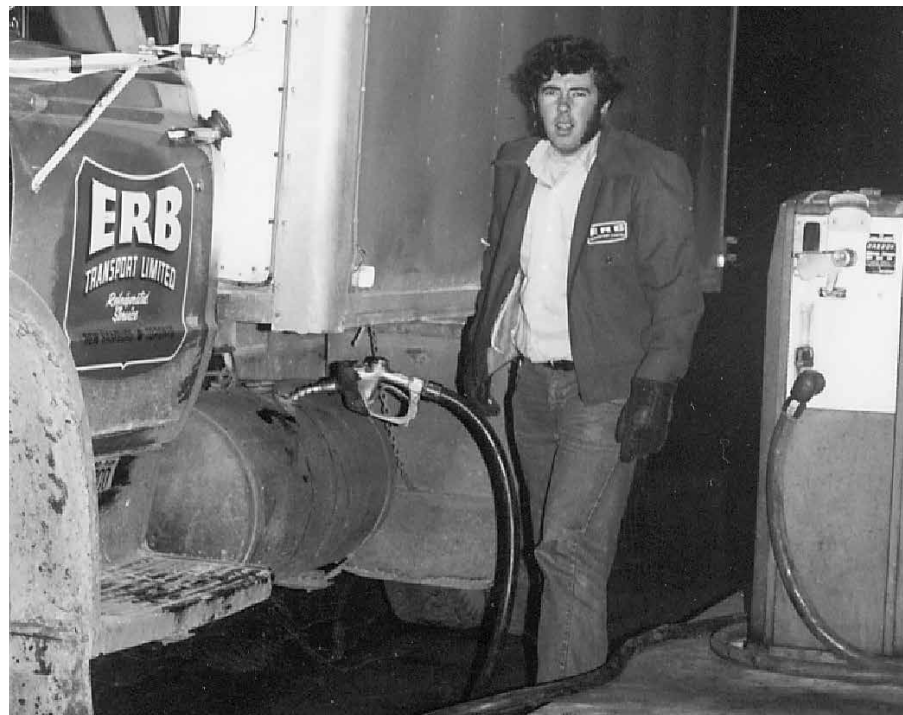
Move from Wellesley to Hamilton Road in New Hamburg (Fall of 1971)

In 1971, Vernon purchased the property and building on Hamilton Road in New Hamburg which has remained *Erb Transport’s* head office ever since. The 4-acre property, which included office space and a yard, as well as a large garage, had been owned by Vernon’s former employer Don Sindall. Sindall had built the building and operated his trucking business out of that location prior to moving operations to New Holland, Pennsylvania. After Sindall had moved out, the building had been used for manufacturing and had stood empty for a while until the time *Erb Transport* relocated into the facility in the fall of 1971.

When *Erb Transport* moved into the new premises, the building consisted of a small office, a garage and a yard, but no dock. *Erb’s*



Aerial view of the New Hamburg facility in 1975.



Ross McDonald, a driver with Erb since 1973 and now driver services supervisor in Toronto, getting gas in the 1970's.

original dispatch office was nothing more than a small cubby hole. In the absence of a loading dock, *Erb* employees continued to use flatbed trailers that were backed together. In order to be able to assemble loads in the evenings, at night, and early in the mornings, they hung up “trouble lights” and plugged them in through extension cords. With no roof overtop the flatbed trailers, on the occasions that it rained the dock workers got completely soaked.

Despite these limitations, at the time of the move, Vernon and his associates believed that the 4-acre property would serve the company's needs for many years to come. Back in 1971, Vernon had no idea how they could ever utilize what appeared to be a large shop and office space. Little did he know how quickly the company would grow as a result of his decision to purchase the unrestricted PCV license. To the surprise of everyone involved with *Erb Transport* at the time, within only a few years, the New Hamburg facility was already bursting at its seams and *Erb* needed to rent additional parking space for staff.

Still in 1971, Mr. Sindall came to see Vernon during a visit to Ontario. On that occasion, Vernon showed him the permit he had purchased from ICL. Vernon can still see his former employer sitting in their dispatch office reading the document and saying to him in utter disbelief: “You mean you got THAT license?” Calling him Vernie, as he had always done, he continued: “Vernie Erb, you've got a dynamite license there. That is dynamite!” Mr. Sindall's reaction assured Vernon that he had done the right thing in making that \$50,000 investment. Mr. Sindall's reaction reinforced what Mr. Lederer had told Vernon when he had bought the license from him: “Vernon, in five years from now you will not recognize your company any longer. I tell you, with this license your company will look totally different in five years from what you have got today.” Both men's assessments turned out to be correct; once *Erb* had acquired the unrestricted authority, business just began to snowball. As word of mouth spread that *Erb* could haul meat in and out of anywhere in Ontario, many new customers kept coming their way.

Although the course was clearly set on growth, *Erb* was still a relatively small business in the early 1970's. V.P. International Operations Bruce Jantzi guesses that at the time he joined *Erb* in 1973, there were less than 20 tractors and 15 straight trucks at the most. Corporate fleet manager Steve Haus, who joined a year later, in the fall of 1974, adds: “We used to buy maybe 3 tractors and 5 trailers a year, and that was a big purchase in those days.”

As the company kept growing throughout the early 1970's, *Erb* hired owner operators as well as drivers and staff. After purchasing the license from ICL, *Erb* hired the person who had been in charge of refrigerated operations at Lewis. Vernon truly appreciated the man's experience and contacts in Toronto with Dominion Stores, Canada Packers and other meat processors. *Erb Transport* also took on some of Lewis' refrigerated drivers. These owner operators were mostly loading product from Canada Packers in Toronto and hauling it up North into the Barrie area.

Erb used quite a few owner operators at the beginning for hauling out of Toronto in particular. Having drivers that owned their own truck was advantageous because *Erb* could not afford to buy as many trucks as needed in order to meet their customers' growing demand for transportation services. While most of the trucking in and out of Toronto was carried out through owner operators, local runs in the New Hamburg area and across most of Southwestern Ontario were looked after by hired employees driving company trucks. As many new drivers and staff joined throughout the 1970's, *Erb* added excellent, company-minded people, who fit perfectly into the company's developing culture.

With *Erb* employees sharing the same attitude of hard work as Vernon, everybody helped out in whatever capacity was needed at any given time. Flexibility, no fixed structures in the absence of definite job descriptions, and the willingness to do whatever was necessary to serve the customer were definite assets and integral

parts of the evolving *Erb* culture. Being hired based on a handshake and without a clearly-defined job description was no problem for former farm boys who were used to tending to whatever job was the most urgent around the farm, and who were accustomed to working until the task at hand was completed. Fleet manager Steve Haus remembers: “Vernon built relationships on a handshake. And a handshake cast everything in stone – it meant something. I believe I was here 8 months, when Vernon came to me and said: ‘we should probably have a job description for you.’ A handshake was all it took and I am still here.”

At *Erb*, it was nothing out of the ordinary that a mechanic or an office staff member would help load trucks at the dock when a load needed to get out as quickly as possible. Drivers would often start on the dock, shunt trailers, and then fill in on shorter runs before eventually going on longer hauls. Fleet manager Steve Haus reflects on *Erb* in the 1970's: “The deal then was that you did whatever you could to make the company go. So we may have had trucks to fix, but if the dock workers were behind when we came in in the morning we pitched in, got the trucks loaded, got them out and worried about anything else afterwards. We didn't have a punch clock or worry about punching a card. We did whatever had to be done to make equipment run and keep it running.”

Holidays, like Thanksgiving or Christmas, which resulted in food-processing companies having higher transportation needs than normal, provided special challenges. One year in the 1970's around Thanksgiving, *Erb* had taken on a lot of extra work. There were piles of perishable meat product that needed to be loaded and delivered. While assembling loads in the middle of the night, Wayne Baechler, who became Vernon's right-hand man during the 1970's, and Vernon realized at 1 o'clock in the morning that they were short one truck. Vernon went over to his office to ponder what they could do. Then he prayed “Lord, help us to get through this.” When shortly after he went back to the dispatch office, Wayne Baechler said to him,

“Vernon, what is it with that truck that is sitting out there in the yard?” Without them knowing, one of their owner operators had dropped his truck in the yard that night, not saying a word to anyone. That empty truck that was ready to go was the answer to Vernon’s prayer. Without asking any questions, they loaded the truck, put gas in it, and Wayne made the delivery.

Erb’s standard and culture of hard work and of helping out wherever an extra hand is needed was set and exemplified by Vernon himself. Long-time employees remember him being out at the dock carrying hinds of beef and loading product onto the trucks at different times. Vernon fixing a truck in his dress shirt, or jumping onto a truck to deliver a load were not unusual sights at *Erb Transport* either. One day, Vernon and Wayne Baechler came into the office early in the morning dressed up in suits and ties as they were going to see a customer that day. Wayne describes what evolved: “We were all spiffed-up going to see a customer when we ran into one of the drivers. There was something wrong with the brakes on his trailer. Vernon who was wearing a white shirt took his suit jacket off, went on a creeper and got under the truck to figure out what was wrong and to get the driver going again when all of a sudden the tire blew. Vernon ended up with grease all over his shirt and it wasn’t a good start to the day. Undisturbed and in his typical calm manner, Vernon took his shirt off, went over to the slop sink in the shop, got the hand cleaner and the degreaser out and tried to scrub as much grease out of his shirt as he could. Then he put his shirt back on, put his coat back over it and off we went to our meeting with the customer. There were a lot of those situations; you couldn’t wear any good clothes, because you would just look at the truck and almost have grease on you.”

There is an undeniable sense of family and of working together at *Erb* that has stood the test of time. V.P. Sales John Jutzi reflects on the character of *Erb Transport* in 1973, the year he joined the organization: “When I started in 1973, I found myself working with two fine people. I worked for Vernon and Viola Erb, rather than for

Erb Transport Limited. I say it this way to express the closeness that I felt.” V.P. International Operations Bruce Jantzi concurs: “Vernon was always that type of individual that befriended you; he was a person that you could trust, and you always wanted to do your best for him. He had the respect of all the workers. He always treated us very well. We always wanted to work hard for him.”

Lack of formalized structures added another personal element that became characteristic of the way things were done at *Erb*. When in 1973, Bruce Jantzi walked into the terminal in New Hamburg looking for a trucking job, Wayne Baechler happened to be there and interviewed him. Bruce Jantzi remembers: “It was kind of an interview outside the shop door. Its main content was the question: ‘We need somebody on the dock immediately. When can you start?’” Although he had been looking for a trucking job, as most *Erb* drivers, Bruce started working on the dock before gathering experience moving trailers and trucks around the yard. Later, when *Erb* needed additional drivers to go down to Ingersoll to pick up turkeys at night, he was given a truck and started driving that way.

Dispatch in the 1970’s was relatively small and looked after by drivers. As Vernon’s responsibilities as president of a growing company required him to prospect and visit with customers quite a bit, driver Mel Gerber took on the role of the company’s first full-time dispatcher, looking after the day-to-day operations, the drivers, the phone and daily dispatch. When Mel left the company, Wayne Baechler and Ernie Fink became involved in dispatch. Truckers within the company also looked after rating, and other office functions. Having truckers run different parts of the office in those early days definitely had its benefits, but it created challenges as well. On the positive side, people in dispatch and in the office had a thorough understanding of operational processes and the increasing complexity of the business. Their main focus, however, was on getting loads out of the yard on time without having a real appreciation for paperwork and proper administrative procedure. In some ways, Vernon was setting the

standard in that area as well, as he was always ready to jump onto a truck and make a delivery rather than staying in the office.

Wayne Baechler, who filled many different positions in the office during the 1970’s, explains: “Our paperwork was secondary; we often forgot that that’s where all the money is. We are truckers and we just wanted to get going. So every once in a while, Mrs. Erb sat us down and said: ‘We have to get the bills out and get some money, forget about driving until that part is done.’ I remember one particular time when we were falling behind with billing. When I went in to work one morning in the early 1970’s, Mrs. Erb said to me: ‘Wayne, you’re not going to drive a truck today and you’re not going to dispatch today either!’ We literally had boxes full of invoices that had to be rated. Pointing to those boxes, she sent me back home to my house and I think I rated for three or four days steady. Of course, the rating was important because we had to get money into the bank to make payroll. But as drivers, our primary focus was on getting onto a truck and taking loads to the customer.”

Working dispatch, sometimes day and night, took a toll on Wayne Baechler and Ernie Fink. Wayne Baechler remembers both of them answering the phone at night while trying to catch up on much-needed sleep: “I remember working day and night when I was dispatching in the 1970’s. I had just got married in 1972 and we were living in a little house in New Hamburg. I would get up in the middle of the night, answer the telephone and then go back to bed. My wife would say to me: ‘Who were you talking to? You got up and the phone didn’t even ring.’ That’s how bad it was, it was time for a break. Ernie Fink would do the same thing. He lived at home. He would go downstairs in the middle of the night and dispatch a driver with no one being on the other side of the line. Picking up the phone in the middle of the night and calling our dock supervisor Wayne Steinmann because you woke up and remembered you had forgotten to pass on a certain piece of information to a driver, that was one thing. But answering the phone when it didn’t even ring, that was different.”

Sometimes, *Erb* drivers were so busy working that they would not even cash their paycheques because they did not make it to the bank during service hours. This was particularly a problem with young single drivers who did not have a wife to take their paycheque to the bank. At one point, Elroy Horst, one of *Erb’s* highly dedicated drivers, had 5 or 6 paycheques sitting in his mailbox. Dispatcher Ernie Fink served as the “in-house bank,” lending his own money to drivers whenever they needed \$10 or \$20 to get through the day.

Driver Experiences in the 1970’s

Even more so than today, driving in the old days meant long hours on the road. It is somewhat stunning that the Highway Transport Board that was so concerned about licenses and authorities paid little attention to driving times and hours of service during the years of regulations. To the extent that drivers kept a log book, it was



Dressed with a tie, as was typical for many Erb drivers at the time, Wayne Baechler in front of his truck.



Floyd Gerber next to his 2070 FleetStar while hauling turkeys to Quebec, 1973.

usually because log books were used in lieu of punch cards. Log books were mainly kept to account for drivers' hours as drivers had to fill out their own time sheets for pay.

As was standard in the industry prior to hours of service regulation, *Erb* drivers spent many weeks working 90 hours or more. V.P. International Bruce Jantzi's recollection of going 24 hours straight on his first day on the truck seems to be rather representative of the trucking experience during regulation days. Bruce Jantzi remembers: "When I started driving, I would start at 5 in the morning, drive into Toronto, and unload 1,000 cases of turkey by hand. After being empty at around noon, I would drive around Toronto and make pickups for Sault St. Marie. Then I would go to Checkerboard Farms in Aurora at 9 o'clock at night and finish out the rest of the load there. From there, I would drive to Sault St. Marie. I would get there at 5 or 6 o'clock in the morning after working 24 hours straight. Back then we

did not have a sleeper cab. When I got tired, I pulled over and slept for an hour across the seat or across the wheel. In Sault St. Marie, I would drop off my load, make a couple of deliveries around Sault St. Marie and then drive back to Toronto. There were many weeks like that when we worked 90 or 100 hours."

Floyd Gerber's experiences were similar: "There was no real enforcement of hours in the old days. We would run until we were done, sleep for maybe 4 hours and then carry on to get to our destination. There was what was called the 'four-hour rule.' It meant that you could go your maximum hours, take a four-hour rest in the sleeper berth and then take another full shift. You were allowed to do that once a week."

As there was always another truckload that needed to be delivered to the customer, returning drivers would often just go home to sleep for a bit and then go out early the next morning with another load. In Vernon's office, there was an L-shaped couch that had been left behind by the previous owners of the New Hamburg facility. Drivers who came back late at night and needed to leave with another load early the next morning used that couch as their bunk. Wayne Baechler remembers: "It was not unusual in those days for a returning driver to hear from dispatch: 'I need you for six in the morning; just go into Vernon's office and have a snooze.'"

Working on the Dock

Although never officially appointed terminal managers in New Hamburg, Ernie Fink and Wayne Baechler ran the dock for a number of years until they were able to convince Wayne Steinmann, a driver who had started with *Erb* back in Wellesley in 1970, to come off the truck and become the company's first dock foreman. When *Erb* moved from Wellesley to New Hamburg, several dock employees moved with the company. Working on the dock was hard physical labour, as dock workers carried hinds and sides of beef and boxes of frozen turkey and other meat products onto the trucks. The dock



Bruce Jantzi working at the dock.

was always busy, but particularly so during times when there was additional demand for meat. Bruce Jantzi remembers working at the dock on Christmas one year in the 1970's: "One Christmas we worked from 8 in the morning until 5 o'clock in the afternoon, went home, had supper, laid down for a nap and were back in for 8 o'clock at night to do it all over again because we could not keep up with all the volume. The beef was frozen rock hard because it was so cold at the dock which was basically an open area."

As *Erb* grew, loading trucks from flatbed trailers with dock workers and product being exposed to the elements was no long-term solution and the decision was made to build a real dock. One of the associates



The New Hamburg terminal in 1971 with the dock built by Elmer Leis on the left.



Aerial view of the New Hamburg terminal with the new dock under construction, 1974.



The new dock completed, 1975.



New Hamburg Terminal in 1975.

in the trailer shop, Elmer Leis, was handy at carpentry work and built a tin shed dock with a tin roof and plywood floors. Although it was not a sophisticated structure, it did the job for the time being, and was definitely a step up from the flatbed trailers that had previously served as a dock.

In the absence of forklifts, most of the loading and freight transfer was done by using two-wheel carts along with little hand jiggers. Not surprisingly, the plywood floors did not always carry the weight of the freight, and on more than one occasion, hand jacks would break through the floor. A driver by heart, dock foreman Wayne Steinmann would say jokingly in situations like that when his patience was wearing thin "I'm going back to driving!" Eventually, the dock floor was converted from plywood to steel. Wayne Baechler remembers: "We'd be pulling pallets off the truck and the hand jacks would fall through the floor. When I first started on the dock, there were big holes in the plywood floor. One Friday night Wayne Steinmann and I got steel sheets, welded them together and that is what we covered the floor with so we would not fall through the floor all the time." Dock operations became more sophisticated when a real dock with a freezer was built in the mid 1970's.

Building the Erb Team

Many long-term drivers, office staff and members of today's senior management team joined *Erb* during the 1970's: Vernon and Wendell's personal executive assistant **Lois Broda** was hired for the office in 1973 at a time when the company was growing at such a rapid speed that Viola Erb needed help in looking after the administrative side of the business. Still with the company today, her main role is in licensing. V.P. Sales **John Jutzi** and V.P. International **Bruce Jantzi** joined *Erb* in 1973 as well. Mechanic, shop supervisor and *Erb's* first fleet manager **Joe Weber** was hired in 1974; so was today's corporate fleet manager **Steve Haus**. V.P. Information Technology **Vic Thiessen's** career at *Erb* began two years later, in 1976. Other long-time members of the *Erb* community whose involvement with the company goes back into the 1970's and who are still with the *Erb Group* today are **Clare Wettlaufer** (1971, New Hamburg/Baden driver), **Robert Hart** (1972, Baden dock), **Barry Currah** (1972, Toronto senior load planner), **Glen Roth** (1973, New Hamburg/Baden dock), **Ross MacDonald** (1973, Toronto Driver Supervisor), **Orval Steinman** (1973, New Hamburg/Baden driver), **Sterling MacDonald** (1975, New Hamburg/Baden driver), **Peter Trachsel** (1975, New Hamburg/Baden driver), **Richard Zawadzki** (1975, New Hamburg/Baden driver), **Lloyd Snyder** (1976, New Hamburg/Baden dock), **Paul Ziegler** (1976, Baden reefer specialist), **Roger Zehr** (1976, New Hamburg/Baden driver), **Larry Wettlaufer** (1977, New Hamburg/Baden driver), **Cynthia Shantz** (1977, Credit manager), **Wayne Stock** (1978, ETSI manager), **Andy Koopman** (1978, Baden router/dispatcher), **Gail Musselman** (1978, Corporate Payroll Supervisor), and **John Eidt** (1979, New Hamburg/Baden driver).

In the same way that he had earned the trust of his first employer, Mr. Sindall, Vernon trusted his employees. Knowing that they were dedicated and honest, he was able to build a team that has grown with the company over the years.



Company Growth in a Regulated Environment

In the early 1970s, when *Erb* acquired the refrigerated license, there were few trucking companies that specialized in transportation of refrigerated goods, and *Erb Transport* was only one of two carriers in Ontario with the authority to service the industry out of and into any location across the Province. Even though there were many companies operating reefer trailers for truckload shipments, the fact that *Erb* was geared towards smaller LTL shipments meant that they were providing a specialized service that was in high demand.

As the president of a growing company, Vernon wore many hats at the same time. Throughout the early 1970's, Vernon spent 2 to 3 days a week visiting prospects and customers and doing recruitment in Toronto and across Southwestern Ontario. In seeking out new business, Vernon was always mindful of empty lanes. As *Erb* took on new customers, the goal was to be as efficient as possible. Vernon's main objective was to balance loads and to ensure that *Erb* trucks were not coming back empty from a regular delivery run.

Freight volume grew quickly, mostly through word of mouth, as existing customers often asked *Erb* to do additional work for them. As *Erb* developed from a small business into a mid-size operation, going from less than 15 people in 1970 to 75 employees by 1973, they sometimes had to turn down requests for additional business because they either did not have the equipment or the manpower to take it on. A night dispatcher was added for the first time, *Erb's* Toronto terminal opened (1971), and a permanent company presence was established in Thunder Bay (1973), to accommodate ever-increasing freight volumes.

As new customers and new routes were added on an almost daily basis, it became virtually impossible to publish rates for every last customer to every last destination, as required by the law governing the regulated trucking industry. The Highway Transport Board



The fleet in the 1970's.

required rates to be filed for any location freight was picked up from or delivered to, with each place named specifically—an impossible task considering *Erb's* focus on LTL and DSD shipments that required the handling of product from many different companies. Prior to delivering, *Erb* regularly amalgamated product from different shippers into one load for distribution in a certain area. It was not unusual for an *Erb* truck to deliver product from several customers to 10 or 15 different locations during the same run. Sure enough, at some point, *Erb* received a letter from the Highway Transport Board saying that their license would be reviewed because they were not properly filing rates, and were thus making it impossible for their competitors to know what they were charging.

In order to keep pace with the company's growth and meet the strict regulatory requirements at the same time, *Erb Transport* adopted a blanket mileage rate with standardized rates for certain weights over certain distance ranges in weight and mileage increments. In spite of this attempt to comply with the regulatory regime, they were forced to appear in court several times because they did not always properly file their rates. Looking back, Vernon says: "In the



The fleet in the 1970's.

tight regulated environment of the day it did not take much for a trucking company to end up in court for a violation of regulatory requirements. We were trying as hard as we could to comply, but at the rate that we added new lanes it was virtually impossible."

While refrigerated and frozen food became the company's main focus, Vernon continued to make strategic purchases of smaller authorities for general freight throughout the 1970's as well. As mentioned previously, in 1973, *Erb Transport* bought a portion of the rights held by C.L. Roth Transport. Owned and operated by Curtis and Richard Roth (father and son), the company primarily hauled livestock, although they were also licensed to haul furniture and 'C' freight from and to Wilmot Township. When *Erb Transport* purchased that 'C' license from them, that acquisition gave *Erb* the rights to carry general freight to and from the township of Wilmot and the town of Tavistock.

Operating in a regulated environment until 1989, the \$50,000 investment into the unrestricted refrigerated license was nothing compared to the growth which it generated and allowed for. Although

there were always other companies who held certain rights for certain locations, with some of them operating refrigerated trucks and several others having interests in refrigeration, none of them had exclusive rights like *Erb*. The unrestricted license gave *Erb* a position of strength and favour in the regulatory system that proved hard to compete with.

Opening of the Toronto Terminal (1971)

In 1971, *Erb* rented a dock, warehouse and parking space at Bridgeland Terminal on Bridgeland Street in Toronto. From there, in 1977, *Erb* moved into their second Toronto terminal location at Dixie and Britannia Road, which served the company's growing needs well throughout the 1970's and early 1980's. That second Toronto terminal consisted of four doors in a larger terminal, owned by and rented from *Laidlaw Transport*. Due to its strategic location, *Erb's* Toronto terminal quickly developed into the hub of the organization. With most major warehouses and food manufacturers located in the greater Toronto area, having a terminal there was of utmost strategic importance in the overall development of *Erb* into a major national carrier.

Buying out the Shantzses and Maintaining Control over the Company (1972)

When in 1970 Vernon had agreed to give Milo and Ross Shantz the option to buy up to 50% of *Erb Transport* within 2 years' time, in exchange for their help with securing the \$50,000 loan for the unlimited refrigerated license, he had done so without any hesitation or concerns. Milo and Ross Shantz were accomplished business people of great integrity, whom Vernon trusted without reservation. Without Milo having guaranteed the loan, it would not have been possible for Vernon to purchase the license that was undeniably at the heart of his company's growth. However, when the time came for the Shantzses to exercise their option, some of *Erb's* drivers were

concerned that they might have other interests with the company. Milo and Ross Shantz were known in the business community as entrepreneurs who would buy a company, build it up and then sell it to the highest bidder before moving on to the next opportunity. They were in the business of buying and selling companies, whereas Vernon was building his company for the long-term. In their reliance on *Erb Transport* for their livelihood and wanting to continue working for Vernon, these drivers' goal was to prevent the Shantzses from assuming a position that would allow them to eventually sell the company to a third party.

As a result, in the time leading up to the 2 year mark, six *Erb* drivers decided to take out loans to pay out the Shantzses and become shareholders in *Erb Transport* themselves. The plan was devised through Harold Snider, Vernon's personal banker with the Royal Bank in New Hamburg, who lived across the street from *Erb's* head office. During late hours, Mr. Snider would often come over and visit with Vernon in the office. Not being the typical bank manager, but rather, a very easy-going person with a deep love for trucks, the odd occasion would arise when he would ask Vernon for permission to drive a truck. Several times, when *Erb* happened to have a load waiting to go out, Vernon would give him a truck and let him make the delivery. A dedicated bank manager during the day, Mr. Snider would often be trucking for fun during the night.

When Harold Snider heard that Vernon was at risk of losing 50% of his company, he was determined to find a way to help him. Knowing that several drivers had invested a couple thousand dollars each into the company at the time *Erb Transport* had become incorporated in 1966, and as a result were already small shareholders, Harold Snider suggested that Vernon's trusted employees become involved once again: "If you have guys you think are responsible, I am willing to give each of them a loan for \$5,000 and you can use that money to buy out the Shantzses," he suggested. Although he was only Vernon's personal friend, and not the company banker, Harold Snider put the

whole scheme together. The two men drew up an agreement based on which the employees would either get interest on the money they lent to the company or alternatively, they could convert it into shares if the loan was not paid back within a certain timeframe.

When the time came for the Shantzses to exercise their rights in 1972, Viola and Vernon were just returning from a rare family vacation: “When we got back, the accountant almost had our company sold to the Shantzses already,” Viola remembers. Milo and Ross Shantz were quite surprised that Vernon was able to pay them out with the help of his drivers. There were no bad feelings at all; quite to the contrary, both parties had high respect for each other, and to this day, Vernon has remained grateful for the part Milo and Ross Shantz have played in *Erb Transport*.

By paying out the Shantzses, Vernon maintained control over the company. From then on Vernon and Viola owned 75% and employee shareholders owned the other 25%. When some time later, Harold Snider, who had masterminded the deal, was called into the Royal Bank’s head office in Toronto, his life took a different turn as well. Wanting him to take a promotion and work out of head office, his supervisors asked: “Mr. Snider, have you ever thought about working out of a different location?” “As a matter of fact I have,” he replied, quit on the spot and joined *Erb Transport* as a full-time driver. Pursuing his deep passion for driving truck, he stayed with *Erb* until retirement.

Developing the Thunder Bay Lane

Obtaining the unrestricted refrigerated license allowed Vernon to get into more long distance trucking, a goal he had envisioned since his earliest days in the industry. It further put Vernon into a position to expand existing relationships. One of those relationships was with Paul Speck, the meat-purchasing manager for Safeway stores in Thunder Bay. In January of 1971, less than a month after having the unrestricted license transferred over to *Erb Transport*, Vernon

flew up to Thunder Bay, met with Paul Speck and informed him that with the new license his company could haul any kind of meat he wanted in any quantity out of anywhere in Ontario to Safeway stores in Thunder Bay.

Paul Speck was truly excited and, knowing that *Erb* was able to consolidate meat from different shippers, started buying additional product in Southwestern Ontario and had *Erb* deliver it to Safeway stores in Thunder Bay in addition to their regular runs of chicken from Checkerboard Farms. Wayne Steinmann, who later became foreman of the New Hamburg dock and corporate dock foreman, was the driver who took up the first load in 1971. *Erb* had recently purchased a number of new straight trucks and Vernon remembers watching the 18-foot straight truck leaving for Thunder Bay only half loaded with about 5,000 pounds of freight. Considering the small size of the load and the fact that it would not even pay Wayne’s wages, let alone the costs for gas, Vernon thought to himself “My oh my, what a loser!” as he watched the truck leaving.

After that initial trip, however, *Erb* picked up more volume week after week and it did not take long before they had a full trailer load going to Thunder Bay each week. From that, they quickly went to two, and more, weekly loads. Business volume into Thunder Bay continued developing because of the excellent service provided by *Erb’s* drivers, and particularly because of Paul Speck’s instrumental role in growing local demand for *Erb’s* transportation services.

While volume into Thunder Bay kept growing consistently, *Erb* was faced with the problem that they had no return loads. Although there was a lot of product coming out of Northern Ontario, such as lumber, lumber products, shavings, etc., *Erb* could not haul it because they did not possess the proper rights. Within the scope of *Erb’s* license for refrigerated and frozen food, there were no food items coming out of that area other than fish. Vernon made a few trips up to Thunder Bay himself. While running empty on his long return trips

back, he was thinking to himself: “This is almost 1,000 miles that we are running empty trip after trip with not a penny of revenue. We’ve got to do something about that.”

Burns Meats, Canada Packers and J.M. Schneider’s, who were all customers of *Erb’s*, had small distribution centers in Thunder Bay. Although they were good customers shipping northbound, they had nothing returning back South. However, Vernon knew that all three companies were shipping a lot of their meat destined for the Thunder Bay area by rail from Winnipeg to their small distribution centers in Thunder Bay. From there, some of that product was further distributed along Highways 17 and 11. Knowing of that distribution channel, Vernon devised the idea that *Erb* trucks, after unloading in Thunder Bay, could latch on to some of those shipments that were going East and South from Thunder Bay. Even though they were only going partway, almost to White River on Highway 17 and to Hearst on Highway 11, this would at least provide *Erb* with some revenue, which was inherently better than going empty all the way back to Southern Ontario.

When Vernon relayed this idea to Burns’ meat manager in Thunder Bay whom he knew quite well, the latter was instantly excited. At the time, Burns was shipping South with *Lakehead Freightways*, a local company that had Thunder Bay and surrounding area pretty much tied up for general freight. Although they were a good and reliable company, as a general freight carrier they did not have refrigerated trailers or vans. When delivering Burns Meats product in tarp-covered, open trailers in the middle of the summer, the customer ended up with a lot of spoilage. Burns and the other meat packers were unsatisfied with that situation; in the event that spoilage did occur, they were forced to carry the claims, and thus the financial losses, when stores rejected their products.

Seeing an opportunity to help meat packers overcome these problems and fill *Erb’s* empty southbound lanes at the same time, Vernon made



Delton Erb's truck #317 at the National Grocers dock in Thunder Bay, 1970.



Clare Wettlaufer heading to Thunder Bay in his International Transtar.



Floyd Gerber coming home from Thunder Bay in truck #343.

a deal, starting out with Burns Meats, to deliver their product from their Thunder Bay warehouse to customers along Highways 11 and 17 during back hauls from Thunder Bay. Together with Murray Scott, who was *Erb's* terminal manager in Toronto for many years, Vernon went up to pioneer the first shipments going south out of Thunder Bay. Vernon well remembers having almost a full trailer load of Burns product. As they were loading at the Burns Meats dock in Thunder Bay late in the afternoon, a uniformed Department of Transport official showed up at the dock, asking Vernon: "Are you the driver? What kind of authority do you have for hauling refrigerated meat out of here?" "I have the certificate in my truck," Vernon replied. "Come on out and I will show it to you."

When Vernon handed his license to the official, the latter read it over and over again, before saying "Nowhere does this say that you can carry refrigerated goods out of Thunder Bay." "I know," Vernon replied, "It says 'refrigerated' without any restrictions in and out of anywhere in Ontario," and pointed to the generic portion of the authority that stated "for the carriage of frozen foods in refrigerated trailers." Still unsure, the official took a copy of the authority and said he would send it to Toronto for the Department of Transport to decide on whether there was a violation. Vernon was not too concerned because he knew that what he was doing was legal. Convinced that his meat shipment out of Thunder Bay was within the scope of his authority, Vernon said to the official: "If this movement is illegal, then everything else we are doing is illegal as well." Vernon never heard about this matter again.

Hauling loads to Thunder Bay, then reloading with J.M. Schneider's, Burns and Canada Packers product for delivery along Highways 11 and 17 on the return trip, became one of *Erb's* better lanes over time. With company trucks only beginning to run empty 500 miles south of Thunder Bay, the revenue *Erb* made on the return run was almost as good as coming home fully loaded. Later on, *Erb* trucks were even able to take on new product at their last delivery point from

Thunder Bay for shipment to New Hamburg, thus avoiding running partially empty altogether. *Pestell Agri-Products*, a company based in New Hamburg, was investing heavily into the shaving business at the time. Since they had mills in Northern Ontario, it happened that where *Erb* made their last meat delivery on the southbound route from Thunder Bay, Pestell found themselves with a transportation need for shavings to be shipped further south. As a result, *Erb* loaded bagged shavings for Pestell and took them all the way back home to deliver right next door to their terminal in New Hamburg. At some point, *Erb* had five scheduled loads coming down from Thunder Bay each and every week.

Ernie Fink, *Erb's* dispatcher at the time, was all excited. He would say to Vernon: "Vernon, we've got seven loads going into Thunder Bay this week," to which Vernon would reply: "Ernie, we don't want seven loads, we only want five. Those extra ones will be losers because we won't have enough return loads going south." *Erb* had great drivers on that run who were as regular as clockwork. One of them was George Schmidt, who ran Thunder Bay for years and who is remembered for always being right on time even when doing multiple deliveries on his way back from Thunder Bay. Due to the distance and the schedule, with many drop-off points on the backhaul, the drivers did not get a lot of rest. The trip was quite taxing and drivers sometimes had to go day and night to make all of their deliveries on time.

Floyd Gerber did a 3-year stint as a driver to Thunder Bay, one trip per week. Leaving at around midnight on Tuesday nights, he would get back home usually on Saturday mornings. Occasionally, weather would prove challenging on the hills along Lake Superior, particularly in the wintertime. He remembers: "Today, I can say I have less appreciation for winter than I used to have. There were so many beautiful trips up along Lake Superior, but there are also certain areas along that highway that are the worst for weather at certain times of the year. I remember the original equipment we had going up there; one tractor in particular, had a single drive axle and auxiliary tag axle. If you had



Erb truck on Lake Superior.

snow or ice covered roads and you were climbing those hills, you usually weren't able to get up the hill without help. I recall one incident when I went as far up as I could and then started sliding backwards with basically no steering control. It wasn't fast, but the trailer went back very slowly into the snowbank where it stopped. It was a couple of hours before the Department of Highways came with their salt and sand and I was able to start up and get the trailer straight. They sanded in front of me up the hill and away I went."

One night, as he was driving up to Thunder Bay in the middle of the night, the heater hose broke on Floyd Gerber's truck at -30 degrees Celsius outside. He reflects: "As soon as the hot coolant hit the atmosphere, it looked like an explosion, there was steam everywhere and I knew I had something major wrong. I had to disconnect the heater to shut that line off and it was still 3 hours to Thunder Bay at that point, without a heater, which was not very pleasant, but we got there all right. You did what you had to do."

Viola Erb's Influence and Role in Building the Business

From the outset, Viola Erb played many different roles in the company. From insisting that Vernon get back his dump truck and encouraging him to persevere when he was ready to quit after working on road construction for a week, to sorting out the farmers' delivery cards and organizing them by route after Vernon had bought Ray Baechler's egg-trucking business, through cleaning eggs for Steinman's, taking return loads back to the Shantz/Checkerboard Farm processing plant in Ingersoll with the children in the back seat of the family car, to doing the books and working in accounts receivable as the company kept growing over the years—Viola Erb has undoubtedly been an essential part of *Erb Transport*.

During the early years of the business in particular, Vernon and Viola discussed many aspects of the company before making decisions. They very rarely disagreed on the larger vision for the business. Vernon greatly appreciates Viola for never holding him back and for allowing him to bounce new ideas off her and calling on her for her input whenever needed. "She can be very opinionated in a positive sense," Vernon says in great appreciation of his wife's help and feedback in building and operating the company.

Being very good with numbers, thorough and detail-oriented, Viola was the perfect person for doing the company books and looking after the administrative side of the business. Back in Wellesley, she had been in charge of the entire business administration. Later, following the company's 1971 move to New Hamburg, she did payroll while Lydia Maitland helped her in the office and a hired receptionist answered the phone. Viola remained in charge of payroll until 1980, when she took over accounts receivable, a role she maintained until she retired from the company in 1996. Over the years, she has filled virtually every role on the administrative side of *Erb Transport*. Viola's focus on detail meant that if the books did not balance she

would not rest until she had the numbers right, down to that last penny. When the first computers were brought in, she immersed herself in the new technology right away. As a matter of principle, Vernon and Viola always took on separate areas of the business.

The only area of the business Viola has not been involved in over the years is driving trucks, with one notable exception. Viola remembers: "The only time I ever drove a truck was when we got those automatics. In the early days, Vernon and my Saturday night dates were always going to a customer. One time, I drove truck #361, a single-axle International S-Line 1978 model, from New Hamburg to Burns with Vernon by my side. We dropped the trailer and hooked up a loaded one and I drove it back home again. And that's all the truck driving I have ever done in my life."

The different way in which Vernon and Viola make decisions always worked out for the benefit of the company. While Vernon usually does not make a decision until he has all the relevant information at hand, Viola can be a quick decision-maker. Once she has been convinced of doing something, she is ready to go ahead with the plan while Vernon might still be weighing the pros and cons of the decision. Reflecting on their different decision-making styles, Vernon strongly believes that his weaknesses have been her strong points. With Viola's more assertive nature, her ability to jump into things, and simply check things over to make sure that they are right, her personality created a great balance for Vernon's need to gather as much information as possible before making a decision.

Wayne Baechler reflects on Viola's role: "Viola was as much of the background of *Erb* as Vernon was the front line man. We really needed her in the background. I felt sorry for her because we were so sloppy in the beginning with our paperwork, and poor Viola, she's not a mind reader. Without proper paperwork, she did not know what a driver did on a trip. What I learned from her in particular, is how important it is to stay on top of the paperwork, to get bills



Viola Erb in the office, 1974.

out and to keep the cash flow through the company. She ran a real good tight ship. The good Lord put together a perfect team to make it work. From what I could see from the outside, Viola supported Vernon in everything he did and gave him the encouragement he needed. She was like that with us guys in the office as well. Viola and Vernon have always been down to earth people; they ran a good business and it needed both of them to do it.”

Sales in the 1970's

Prior to obtaining the unrestricted license, *Erb* was limited in their ability to grow through acquiring new customers. Once Vernon received the unrestricted refrigerated license, however, this important authority allowed the company to knock on anybody's door. Growth in sales can be equally attributed to businesses approaching them as well as their own initiative. As they learned about *Erb's* authority, new and existing customers approached Vernon with their growing transportation needs. Paul Speck of Safeway in Thunder Bay, for instance, was instrumental in getting *Erb* in with some of the smaller meat companies in Toronto. Speck's request that *Erb* bring consolidated LTL loads with product from different meat packers to Safeway stores in Thunder Bay, allowed Vernon and his team to build relationships with many of the smaller meat packing companies, like *Bittner Packers* who had a small plant in Toronto, *Sara Lee Foods*, or the Italian meat company *Primo*.

In addition to meeting the growing demands from existing customers, *Erb Transport* pursued an active growth strategy through selling their services to new customers. Wayne Baechler remembers: “We would do sales, but we couldn't really afford a full-time sales person during the 1970's. At that time it would have been too much additional overhead. Consequently, I would take a truck, and Vernon would do the same thing, and we would bring a suit in the truck. After delivering a load at the back door, we would quickly change in the truck and go back in and visit the customer at the front door. The

customer really didn't know he was talking to the driver who had just dropped a load at his dock.”

Erb grew the business primarily on the LTL side. Their biggest selling feature was the cost advantage they could provide by shipping consolidated LTL loads from different customers on the same truck to the same destination. In the early 1970's, many meat packing companies had their own trucks. *Erb* took over a lot of their transportation business because producers, and smaller meat packers in particular, quickly realized that it was cheaper for them to ship their LTL product on an *Erb* truck, rather than putting their own trucks on the road. The stores preferred shipping with *Erb* as well, as it was more convenient for them to receive one truck at the store with shipments from several of their meat suppliers, rather than different trucks from each supplier individually at different times. Wayne Baechler remembers: “Our focus on providing LTL solutions really helped build our business. I don't know if you had to be a 'real' salesman to sell that. The cost advantage of consolidated LTL loads to our customers was so obvious; it did not take a lot of convincing for them to give us their business.”

As they became known for providing excellent service, *Erb* grew as a result of the loyalty of their customers. Vernon and his team focused on building personal relationships with the sales staff and traffic managers of their regular customers. Close relationships, trust and loyalty between shippers and their carrier of choice, allowed *Erb* to increase rates when needed often based on handshake agreements. Wayne Baechler explains: “We would go to any of our main customers and sit down with the traffic manager once a year and ask for a certain rate increase for the following year. There was no paperwork; we just shook hands and the week after we increased our rates. It was a whole different way of doing business back then.”

Throughout the 1970's and well into the 1980's, growth in sales was mainly in red meats. Since retail stores had their own butchers

and butchering departments, processing plants shipped their meats in quarter hinds, sides or other large cuts to the stores. Being geared to the red meat business, *Erb's* busiest time was throughout the summer.

Equipment and Driving Experiences in the 1970's

Over the course of more than fifty years in the trucking industry, Vernon has seen and driven many generations of trucks. Equipment in the old days was quite different from the modern, computerized, high-powered trucks that are on the road today. The old trucks were hard to shift, making it imperative for every trucker to know how to “double clutch.” “Double clutching” was quite an art, especially when driving a truck that had two transmissions, a five and a four-speed, or a four and a four.

Trucks in the old days had no power steering and no air conditioning as well as missing many other features that are standard today. 1968 was the last model year of trucks that were not equipped with power steering and *Erb* was still running some trucks with standard steering in the early 1970's. *Erb's* early fleet included several International R 190's and R 200's. In the summertime, most drivers who were assigned to these trucks would take out the side plates of the hood so that the cooling air could circulate through the engine. Without that trick, it would get awfully hot in the cab. Wayne Baechler remembers: “You roasted in the summertime and froze in the wintertime while the truck was going to places like Thunder Bay. Those were the 70's. You just made it work.” Bruce Jantzi confirms: “I remember one straight truck, number 103; I don't think it even had a heater. You always had to make sure to wear multiple coats or a snowmobile suit because it was just a cold, cold truck. You got accustomed to it, because there was nothing better around at that time.”

Brakes were not nearly as good as they are now, although vacuum brakes had already been phased out by the time Vernon had gotten



Vernon and Jim Pinder of the Mack Dealership in Kitchener with *Erb's* first new Mack truck in the late 1970's.



Truck #137, a 1975 2050A straight truck.



Truck #137, *Erb's* fourth Diesel straight truck, bought in 1975, with a Cat 3208 engine.



1974 International Transtar.

into trucking. *Erb's* trucks had airbrakes, which were quite efficient, though they hardly compare to the technology available today.

In general, the older generations of trucks were more vulnerable to sudden breakdowns and technical problems than today's modern equipment. At the same time, however, they were less complex and thus easier to fix on the road. Floyd Gerber remembers doing repairs on his truck during his regular drives to Thunder Bay: "It was common for the drivers to fix their equipment on the road when problems occurred. Everybody carried a tool-box with them in those days; the first thing that went in the truck was a tool-box. Equipment wasn't quite as complex as it is today, so you could do many minor repairs yourself to get you down the road. If you had a flat tire you didn't think anything of it, got a jack and other equipment out, and put a spare on." Floyd's brother Ken Gerber in particular, was known to be able to fix any problem during his long-haul runs.

After making his first trip into Thunder Bay in an old 6-cylinder gas truck, Vernon could not believe the difference when some time later he took *Erb's* first 1965 diesel tractor, with a 250 horse power Cummins engine, on that same run. From 250 horse power, engine sizes increased to 350 and eventually 450 horse power. Whenever taking the newest truck on a run, Vernon thought the latest model was the ultimate machine in terms of horsepower and performance.

Defending the Unrestricted Authority

While the unrestricted license was key to the rapid growth and success of the company, operating as only one of two Ontario carriers with such far-reaching rights in a regulated environment presented its own challenges. Unlike in the past, when Vernon had tried to buy up small licenses often in competition with established larger carriers, *Erb Transport* now found itself on the other side, as the company was in the process of becoming a "big player" in the trucking industry. Every now and again, a smaller trucking company

with regional interests in different parts of Ontario would apply for rights to haul for one of *Erb's* existing customers. Although Vernon could often sympathize with those smaller carriers that were trying to make a living, he had to guard his company's interests that were enshrined in the unrestricted license. As a result, on several occasions, *Erb Transport* objected to the granting of licenses to other carriers that were trying to broaden their authority.

Erb had to be very careful in their new role, as objections could strain relationships with existing customers. Often, customers were asked by their respective carrier to come to hearings without knowing what they were getting into when agreeing to support their carrier's application for authority. It happened more than once, that an *Erb* customer would be at a hearing supporting another carrier's application for authority without knowing that Vernon would be there in person objecting to it. Playing the system without offending these customers was a balancing act, particularly because the objecting party's main argument during the hearings was always that the customer did not need the other trucking company because the license holder, in this case *Erb Transport*, already had a license and could continue to provide the service in question to them. Looking back, Vernon sees the main fault of the licensing system in the fact that it caused people to stand against one another in order to protect their interests and secure a living.

On one occasion, a situation arose where a local operator wanted to get general freight authority for the New Hamburg area, just where *Erb Transport* was operating. Back in 1973, *Erb* had bought out Curtis L. Roth Transport, which had given them the authority to haul general freight into and out of New Hamburg and Tavistock. However, with *Erb's* increasing specialization in refrigeration, Vernon did not do much with that authority. When *Erb* and others objected to the competitor's application, a date for a hearing was set. To Vernon's great surprise, his competitor had lined up many local business owners with whom *Erb* was doing a significant amount of business;

many of these individuals were personal friends and acquaintances of Vernon's. When they had agreed to support the competing trucking company's application for authority, they had had no idea that they would have to speak out publicly against Vernon and his services. Deeply embarrassed, some of them came to see Vernon later that same day and apologized. This is yet another example of how the regulated system created a negative environment by pitching people against one another.

Sometimes, Vernon would attend the Highway Transport Board hearings in person, while at other times he would send Wayne Baechler. Wayne Baechler, a young man in his twenties at the time, remembers his first assignment: "This one time we were objecting to a carrier who was applying for an operating authority for *Gay Lea* to go to Owen Sound. I'll never forget it; Vernon dropped me off at the Highway Transport Board, and said: 'Okay Wayne, there you go. My lawyer will be there.' I was shaking in my boots and all he said was 'you'll be fine'. So I did that Highway Transport Board hearing. That's how Vernon was - he had trust in people. He is the most trusting man you could ever work with and that's why we are where we are today."



Erb truck # 308 delivering in Timmins, Ontario, in 1970.



Opportunities and Challenges

Erb in the 1980's

CHAPTER 4



Part of the Erb fleet in New Hamburg in the early 1980's.

Business Development during the 1980's

Throughout the 1980's, *Erb Transport* grew from 165 full-time and part-time employees and owner operators to over 350. The fact that *Erb* more than doubled its workforce within that decade is an indication of the unprecedented pace of growth that the company experienced at the time. Correspondingly, *Erb's* fleet grew to 585 pieces of equipment by the end of 1989 (128 straight trucks, 161 tractors and 296 trailers). In order to accommodate growth and ever-increasing volumes, the *Erb* terminal network was expanded through new terminal locations.

In 1986, *Erb* trucks accumulated over 10 million miles across the entire fleet, 8.5 million of which were in Ontario, almost 1.5 million in the U.S., and 245,000 in Quebec. Although Ontario remained the company's main service area, *Erb's* expansion into the U.S. and the development of a U.S. division, including the founding of *Erb Transport Inc.* as a U.S. sister company with U.S. drivers and its own terminal in Elverson, Pennsylvania, laid the foundations for the increasing internationalization of *Erb Transport*.

Company growth was mainly a result of increased volume. While red meat shipped to the butchering department at grocery stores remained the single most important commodity trucked by *Erb*, a significant amount of new volume was generated through processed frozen foods that became increasingly popular throughout the 1980's. With annual volume increases of 40% and even more throughout the mid-1980's, *Erb* grew at a rapid rate. When, in 1989, *Erb Transport* celebrated its 30th anniversary, the company had established a solid reputation as a leading Ontario carrier in the refrigerated food market segment.

Developing the Canada – U.S. Trucking Lane

In 1980, the U.S. administration under Jimmy Carter deregulated the trucking industry in the U.S. Ever since becoming president in 1976, Jimmy Carter had been pushing efforts to reduce motor carrier regulation. Following a series of rulings by the Interstate Commerce Commission, which reduced federal oversight of trucking, and following the deregulation of airlines, Congress enacted the *Motor Carrier Act* (MCA) in 1980. Although deregulation had been

in the works for a number of years, it nevertheless came as a shock to many carriers. By eliminating most restrictions on commodities carried, routes taken and regions served, and making it substantially easier for trucking companies to obtain an authority, this opened up the market for anyone wanting to operate a trucking business in the U.S. It further provided new opportunities for Canadian trucking companies going into the U.S., as well as for U.S. companies coming into Canada. While deregulation deeply changed the trucking industry and the way it operated in the U.S., Canada did not deregulate for another 9 years, until 1989, creating a deep disparity in an interconnected market that was criticized by many observers at the time. Whereas under deregulation in the U.S., Canadian carriers were free to deliver freight at any point in the U.S., under Canada's strict regulated system, that very same carrier still needed specific rights to get to the Ontario/US border.

When *Erb* had bought the unrestricted refrigerated license in 1970, that authority had a second part attached to it, which allowed them to haul cheese, eggs, meat and a variety of other frozen products into the U.S. During the 1970's, *Erb* did not make any use of that part of the license because throughout that decade they acquired so much business in Ontario alone that going into the U.S. would have overstretched their capability. When Vernon finally decided to make use of that license, he learned that it was not in the right category. Under Canadian regulations, *Erb* had a class D license, which was a contract license, but in order to get into the U.S. they needed a class X license. Although *Erb's* class D license stated that they could haul the aforementioned product to the Canada/U.S. border, they had to go through another drawn-out hearing process to have the authority changed so that it could actually be used for shipments into the U.S. After working their way through a lot of red tape, they were successful and had the license changed over into the right category.

Less than two years prior to deregulation in the U.S., Vernon hired a lawyer from the Philadelphia area to get them trucking authority

into some smaller towns and cities outside of Pittsburgh. Unlike in Canada, where objections during the formal proceedings were standard practice, the approach chosen in the U.S. was different. In preparing *Erb's* application for authority in the U.S., their lawyer negotiated beforehand with carriers who had competing authority and who might object to *Erb* being granted a license. Vernon's reason for applying for licenses into smaller towns around Pittsburgh at first was his expectation that *Erb's* application would be met with less resistance from U.S. competitors than in case he applied for rights into the much more competitive Pittsburgh city area right away. Vernon's goal at the time was to gain a foothold in the U.S. market without getting drawn into hearings. After establishing a first base in the U.S., he would then apply for extensions to his existing authorities in order to break into Pittsburgh's more competitive urban market. The strategy worked, and *Erb* obtained their first U.S. license without a drawn-out licensing procedure because competitors were not interested in those peripheral locations Vernon had applied for.

As a result of the more consultative and less confrontational approach chosen by Vernon's lawyer as well as due to Vernon's strategic self-restraint, *Erb* was granted interstate commerce authority to deliver named refrigerated product to enumerated points in the U.S. They obtained U.S. authority at about the same time that they got their Ontario authority adjusted into the right category, allowing *Erb* to haul product to the Canada/U.S. border and from there into the U.S. When the U.S. deregulated shortly after, *Erb* was free to ship anywhere in the U.S.

Around the same time that Vernon first ventured into the U.S., the *McDonald's* fast food chain had just started offering breakfast sausages to their customers. All of these sausages for the North American market were shipped out of Pittsburgh. At the time, Vernon had an agreement with the Ontario Egg Marketing Board, based on which *Erb* was hauling eggs to Zanesville, Ohio. Becoming a carrier for McDonald's key supplier provided a welcomed opportunity

to balance return loads and to avoid having the trucks destined for Zanesville coming back empty.

After acquiring the McDonald's business, *Erb* trucks would come back to Pittsburgh, pick up a load of sausages for McDonald's and take them to Toronto from where they were distributed all over Canada. When in 1984 Vernon designated a few trucks to run cross-border, this marked the beginning of *Erb's* U.S. division. Howard Lebold, Jerry Baan, and Vernon and Viola's oldest son Wendell were among the first *Erb* drivers operating between Canada and the U.S., pioneering the company's Canada-U.S. division, which in 1994 was incorporated as *Erb International*.

Following the McDonald's business out of Pittsburgh, the U.S. East Coast opened up for *Erb* as well. Loblaw's was buying fresh chicken on ice from chicken-slaughtering plants in Delaware and Maryland and *Erb* received the contract to haul several loads a week from there back to Toronto. In 1982, Vernon decided to buy a tractor and two trailers and register them in the U.S. primarily for hauling dressed chicken out of Maryland to Loblaw's in Toronto. His consideration was that having an empty trailer sitting at the U.S. plant would save *Erb* a significant amount of time, because that way trailers destined for Toronto could get loaded before the driver even got there. Long-time driver Howard Lebold, who was one of the first *Erb* drivers to haul in the U.S., was asked by Vernon to look after the registration of those early trailers in Delaware. He remembers: "Vernon asked me to go to the license office and transfer those trailers into our name. Vernon said: 'Keep in touch with me if anything happens, I'll know how to help you out.' So I went to the registration office and after they had done all necessary checks, I was asked to sign my name and write my title on a dotted line on the actual document. So I signed my name and put down "driver" as my title. To my surprise, I was told that I would have to be a secretary treasurer, president or vice president to be able to sign. Things went speeding through my mind. Everything had gone fine so far and I didn't want to goof it

up now. Determined to get the registration completed, I wrote down "Vice President" instead and the lady at the registration office said that was fine. I couldn't wait to get to a telephone and talk to Vernon. When I finally got to make the call, I said 'Everything went well; there is only one thing that has to be changed – I am now the V.P. When I come back I expect there to be a chair in your office beside you.' Needless to say, I never did get the chair and any time I went into Vernon's office, I had to sit in front of the desk instead of behind it, just like everybody else."

In addition to hauling McDonald's sausages and chicken for Loblaw's, *Erb's* developing International division also took on a significant amount of truckloads into Pennsylvania. As demand grew and *Erb* needed a full-time dispatcher for their Canada-U.S. operations, Wendell Erb came off the road and took over U.S. dispatch with 4 trucks in 1984. Looking after dispatch, as well as fuel tax, drivers' payroll, bills, permits, bonds, fuel stickers for the various states in the U.S., etc., Wendell was soon building up and managing *Erb's* Canada – U.S. operations, which today have grown into a major division within the *Erb Group of Companies*.

With the international market not being quite as competitive as domestic trucking at that time, *Erb's* international operations were quite profitable right from the beginning. V.P. Sales John Jutzi was part of the early growth of the U.S. division: "From the mid-1980's our U.S. business started growing under Wendell and Greg Roth. There was some trial and error involved, but at the end of the day, the growth we experienced in International operations in the 80's was phenomenal."

When the Canadian industry was deregulated 9 years after the U.S., in 1989, *Erb* and other Canadian trucking companies felt threatened by the possibility of U.S. carriers trying to take over business in Ontario. With many Ontario food companies being connected and sometimes owned by U.S. corporations, there were many existing

connections that would have allowed U.S. carriers to take market share in the Ontario trucking industry as well. Although some U.S. carriers tried to break into the Canadian market, for the most part Canadian trucking companies, including *Erb*, stood their ground and were able to maintain their customer base.

One of *Erb's* major long-term customers going into the U.S. was the *Campbell Soup Company*. The Campbell plant in Listowel, Ontario produced frozen soup for many of the company's distribution points in the U.S., one being in Pennsylvania, the other one being in Omaha, Nebraska. With *Erb* being assigned most of these loads, they would haul anywhere from 8 to 12 loads daily from Campbell's Listowel plant to those destinations. When *Erb* started hauling loads of frozen soup for Campbell to Omaha, Nebraska, this marked the beginning of *Erb's* International division carrying larger volumes into the U.S. on a steady basis.

Being a trucker at heart, occasionally when feeling the need to get out of the office and get away for a while, Vernon would go to dispatch and ask for a 1,000 mile run that would get him on the road for a week. On those occasions, he usually took a load for Campbell's to Omaha. On one of these drives, arriving in Omaha late one Thursday night, Vernon's appointment at the dock was for 7 a.m. on Friday morning. Vernon pulled into the yard around midnight, slept for a couple of hours and went into the office with his bills well before seven. As he walked into the office, he was welcomed by a grumpy dock manager asking him: "What do you want?" "I am here on a delivery for seven in the morning," Vernon replied politely. "No, you are not," the manager responded visibly upset. He carried on by telling Vernon: "I am going to teach you something. This happens every now and again. You *Erb* guys show up here and you have no appointment." Vernon, who had no idea what the problem was, said: "My dispatch told me that I have a 7 o'clock appointment and here I am. Here are my bills and they are stating 7 o'clock Friday morning as well." However, even after looking at the bill, the dock manager kept refusing to unload Vernon. With



Wendell Erb delivering in Philadelphia, Pennsylvania, February 1988.



Wendell Erb on U.S. route 93 in Nevada going around the Arizona point of entry in February 1987.

the following Monday being a holiday, he barked instead: “Be back here Tuesday morning.” Vernon could not believe his ears. There were empty docks to no end and if the dock manager had wanted he could have easily had his truck unloaded immediately.

Feeling that he was not getting anywhere with the upset dock manager, Vernon went out to his truck, got on his satellite and called dispatch back in New Hamburg. After telling them about the problem and informing them that according to the dock manager this was not the first time that an *Erb Transport* truck had shown up allegedly without having an appointment, they asked Vernon to leave it with them. Dispatch would talk to Campbell’s in Listowel to see what they could do about the situation and whether a mistake had been made. An hour or two later Vernon went back into the office to see whether the dock manager had calmed down and was now willing to unload him. Determined not to leave with the full load or sit in the yard from Friday until Tuesday morning, Vernon hung around in the office for a while to make his presence known. He continued talking to the dock manager and after maybe another hour the man had mellowed a little. At first he told Vernon: “There is no way we can put you in. This place is booked up.” Then, as he was finally coming around, he said: “We have a truckload of sugar that is supposed to come in and we are not quite sure if the driver is going to make it on time. If he does not show up, we might be able to slide you in there, but we are not sure.”

At no point throughout the conversation had Vernon told the dock manager that he was the owner and president of the company that was making the delivery, keeping that trump card as a last resort. Finally, the dock manager said: “Okay *Erb*, I will unload you. The sugar truck has not come in.” By noon they finally started unloading. Vernon, although relieved that his truck was being unloaded, was worried because he was scheduled to pick up a return load of meat that same evening. While the dock manager was getting his paper work ready, Vernon went to the bathroom. All of a sudden the dock manager knocked on the door. “*Erb*, are you in there? Here are your

papers!” Vernon could not believe the change. The man had obviously been informed in the meantime who Vernon was, and that he was dealing with the president of the company. “All of a sudden he was so excited to get me out of there that he was almost ready to drag me out of the bathroom and hand me the papers right there,” Vernon remembers with a smile.

Vernon later learned from his dispatch that both *Erb* and Campbell’s had been right in their assumptions about the delivery. From *Erb*’s perspective they had an appointment, while from the perspective of the receiving dock in Omaha they did not. What had happened was that Campbell’s would set up the loads and then pass the order on to *Erb*. While *Erb* received all necessary information for the delivery, the Campbell’s people sometimes forgot to pass the information about a scheduled load on to the receiving dock in Omaha.

After the situation was resolved and Vernon had received his papers, he admitted to the dock manager who he was and said: “I hope our drivers are not going through this hassle very often.” He expressed that he did not appreciate the way he had been treated that morning. After that, he left, picked up his return load and drove back to Canada. *Erb Transport* maintained a great relationship with the people at Campbell’s in Listowel until the plant shut down on April 30, 2009. To the very last day of operations, Campbell shipped quite heavily using *Erb Transport* as one of their main carriers.

In 1985, *Erb Transport Inc.* in Elverson, Pennsylvania was incorporated as a separate U.S. company under the umbrella of the *Erb Group of Companies*. A regional truckload carrier that services the Atlantic Region of the U.S. from its terminal in Elverson, *Erb Transport Inc.* is a smaller operation with U.S. drivers that complements *Erb Transport*’s International division. *Erb*’s V.P Sales John Jutzi explains: “When we built our terminal in Pennsylvania, that gave us a U.S. identity. Even though it was small, it was a presence that we needed.”

Company Growth in the 1980’s

As in the previous decade, red meat was the single-largest commodity shipped by *Erb* throughout the 1980’s, accounting for about half of the company’s overall volume in 1985. However, *Erb*’s customer base was gradually changing, as more and more processed frozen foods became available to consumers. In the mid-1980’s, *Erb* was growing at such rapid pace with annual volume increases of 30-40% at times, that it became increasingly difficult to manage that growth and stay on top of things.

At the time, *Erb* could not hire drivers fast enough to deal with the ever-increasing volumes. One of the things *Erb*’s Senior V.P. of Canadian Operations and Finance, Kevin Cooper, noticed when joining the company in the midst of that growth period, was that regardless of their position in the company, everybody was driving, filling in and doing whatever was needed to get loads onto the trucks and out of the yard: “Everybody drove. Mechanics drove; dispatchers drove when they were not needed on dispatch; everybody from Vernon down drove. It was pretty much a team effort. People really did pull together.”

Corresponding with exponential volume increases, dispatch needs were growing to the point where *Erb* needed to have someone work seven days a week to dispatch a fleet of almost 600 pieces of equipment by the end of the 1980’s. As *Erb* could not bring in people fast enough who understood the complexities of dispatch in such a fast-paced and ever-changing environment, some of the experienced drivers pitched and covered dispatch over the weekends for a period of time.

Erb’s growth throughout the 1980’s was caused by significant changes in the food industry. As the frozen food industry developed an ever-growing number of new frozen products, food processors’ demand for transportation services increased accordingly. Due to their specialization in refrigeration and the company’s great reputation, *Erb* became a benefactor of these changes in the industry. Another



Construction at the New Hamburg Terminal.



Adding a second floor to the office.



The New Hamburg Trailer Shop under construction.



Expansion of the New Hamburg Head Office building.

reason for unprecedented and ultimately unsustainable annual growth rates of up to 40% in the mid-1980's was the fact that in 1985/6, Humes Transport, the only other major Ontario LTL carrier with terminals in Toronto, Ottawa and Windsor went out of business. With Humes and *Erb* having serviced many of the same customers, these customers were now giving *Erb* their former Humes business as well.

Combined with Vernon's dedication to service and his entrepreneurial imperative to never refuse a reasonable customer request, the aforementioned factors provided the perfect recipe for exponential



Erb's first Ford cabover truck, circa 1988.



The fleet in 1989.

growth and for *Erb Transport's* development into one of Canada's leading refrigerated carriers. Vernon never aspired for his company to become the biggest carrier. His growth strategy and business philosophy was based on the goal to always be the best and to grow through new opportunities as they presented themselves. Clearly, Vernon's original vision for the company was outpaced by the rate of growth the company was experiencing during the 1980's. Fleet manager Steve Haus explains: "The whole thought process of the company has always been that we never wanted to be the biggest; we just wanted to be the best."

Although the rapid growth during the 1980's created many challenges, it never had any negative impact on the safety of the *Erb* fleet, thanks to Joe Weber, a true mechanic at heart who was *Erb's* fleet manager since 1974. Floyd Gerber remembers: "One thing we never had to worry about was the safety of the fleet and that something would go wrong on the road. We never had to worry about the quality of the fleet maintenance, because of Joe Weber."

When asked for the main reasons for *Erb's* growth and success on the occasion of the company's 30th anniversary, Vernon commented in 1989: "As I reflect back, I am amazed at the progress and growth of our company. The development of *Erb Transport Limited* did not happen by chance nor was it easy. It seems we were at the right place at the right time when opportunities presented themselves."

Growing the Erb Terminal Network

Throughout the 1980s, *Erb* established terminals in most locations the company is currently permanently represented in. Although additional terminals have been added since, and several of the terminals that were started in the 1980's have since moved into larger, more modern facilities, *Erb's* extensive terminal network was the immediate result of exponential growth throughout that decade. As *Erb* was shipping and delivering freight into numerous locations across Ontario, into Quebec and the U.S., with primary focus on LTL shipments, having terminals in areas where they did a lot of distribution, as well as in center locations, such as Toronto and Montreal, was of great importance to the company. The opening of new terminals in Thunder Bay (1981); Toronto (*Erb's* Toronto terminal was moved twice throughout the 1980s, in 1983, and 1988); Elverson, Pennsylvania (1985); Montreal (1985); North Bay (1986); Kemptville and Ottawa (1986); and Belleville (1988) marked important milestones in the evolution of the *Erb Group of Companies* as a leading national and international carrier.



Thunder Bay Terminal.



Opening of the Thunder Bay Terminal. L to R: Ken Gerber, Elmer Leis, John Jutzi, Richard Roth, Ronda Lichti, Robert Lichti, Viola, Vernon, Audrey Scott, Murray Scott, Joe Weber.



Opening of the Thunder Bay Terminal. L to R: Ken Gerber, Robert Lichti, Elmer Leis, Vernon, Murray Scott, Richard Roth, Joe Weber, John Jutzi.



The Toronto Terminal on General Road under construction.



Opening of the Thunder Bay Terminal. L to R: Murray Scott, unidentified Thunder Bay customer, John Jutzi, Vernon, Richard Roth.



The new Toronto Terminal on General Road completed. Jutzi, Vernon, Richard Roth.



Vernon and Viola Erb at the Opening of the Thunder Bay Terminal.



Belleville Terminal.



Opening of the Toronto Terminal on General Road in 1983.



Opening of the Toronto Terminal on General Road in 1983. L to R: Murray Scott (Terminal Manager), Mahlon Martin (Canadian Director of Transport for Christ), Audrey Scott (Assistant Terminal Manager), Marjorie Martin, Vernon and Viola Erb.



Trucks parked inside the Toronto Terminal on General Road.

Regulatory Challenges in the 1980's

Although following deregulation in the U.S, Ontario's regulated industry framework became more relaxed as well, licensing issues remained a challenge to the very last day of regulation in Ontario in 1989. On one occasion during the final days of regulation in Ontario, *Erb Transport* went out of its way to accommodate a special need of a meat company in Kitchener that they were hauling beef for on a regular basis. The company had bought some processing machinery in the U.S, and *Erb* had taken on the task to haul the equipment to their plant. As the *Erb* truck was coming up to the inspection station on Highway 7/8 between New Hamburg and Shakespeare, the *Erb* driver pulled in and checked his load. Although he was carrying a

load of machinery for a processing plant that *Erb* was doing regular shipments of meat for, the authorities insisted that the load was not refrigerated and thus out of the scope of their license. As a result, *Erb* was charged and hauled into court.

Erb had very few illegal loads over the years, but sometimes a customer would load equipment or product related to their business that did not quite fall into the refrigerated category. As years went on under regulation, *Erb* applied for a license for non-refrigerated food products and food-related products, because sometimes their customers wanted them to haul dry product along with refrigerated which they could not do within the scope of their refrigerated license. Thus, one of the last licenses that *Erb* applied for before the market

was deregulated in 1989, was for any food stuffs and anything related to it, such as containers, cardboard, etc. Following a hearing in Kitchener, they obtained that license. Not long after the license was granted, however, the market was deregulated and anyone could carry anything in an open market.

A Trip to Remember: Vernon and Darryl Hauling a Load to California in March 1985

In March of 1985, Vernon was feeling that it was time to get out of the office again for a while and feel the air of the open road. He decided to take a load of meat for Hoffman Meats (later Canada Packers and then Maple Leaf Foods) to California. On March 11, 1985 Vernon, together with his younger son Darryl, left with a 1984 CL 9000 Ford cabover tractor, powered by a 350 horsepower Cat, for what would become a most memorable trip for both of them.

Before leaving at night, Vernon put in a full day at the office, while one of *Erb's* drivers took the load from Kitchener to customs in Buffalo for clearance to the U.S. In the evening, Vernon and Darryl took their car and met the driver in Buffalo at 10 p.m., switched vehicles and headed west. Vernon's log shows them being in Toledo, Ohio, at 4:30 a.m. on Tuesday morning. Vernon vividly remembers thinking: "What in the world did I get myself into?" as he was feeling exhausted almost to the point of calling in and suggesting for dispatch to send down another driver to relieve him through Detroit. After a two-hour nap, however, Vernon was ready to continue on. With the delivery appointment in Los Angeles being on Friday morning, they were running on a tight schedule that did not allow much time for sleeping. The second night, Vernon asked Darryl, who was 16 years old at the time and had a driver's license already, to take over for a while, so that Vernon could manage to get a few hours in the sleeper.

Although Vernon was quite impressed with their big Ford truck and its responsive 350 horsepower Cat engine, once they crossed over



Vernon and Darryl Erb.

into the Western U.S. their truck seemed to be the slowest truck on the road. While travelling through Nebraska, Wyoming and Utah, where the road passed through hills and mountains, they were passed by all kinds of trucks usually in groups of 4 or 5, in a flash of lights. Vernon remembers those Peterbilt's and Kenworth's with 425 Cats or even larger engines flying by, making him and Darryl feel like they were standing still on the road. Darryl felt a bit embarrassed by their "little Ford" truck, as it seemed that they were the only ones driving that kind of truck going into California. Vernon will never forget approaching Las Vegas in the middle of the night. The sky was lit up for miles before they could even see the actual lights of the city.

Arriving in Ontario, California, at about daybreak on Friday morning, Vernon noticed a 76 Truck Stop. They decided to pull in and ask for directions to their customer, *Farmer Jack's*. Somehow Vernon missed the gate to the entrance; however, he did not fail to notice the one-way "Exit only" sign, with large yellow warning lights a short distance up the street. For fear of not knowing where to turn around or where the proper location of the gate was, Vernon decided to ignore the warning lights and pull in through the exit gate. While he

was entering the parking lot through the wrong gate, he failed to notice the large steel spikes protruding toward his tires. These spikes are designed to lay flat when a truck drives over them in the right direction; however, when going over them in the wrong direction, the spikes puncture the tires. By the time Vernon realized that there were spike strip panels mounted on the road, it was too late, as his trailer tandems were already going over the spikes: "Rather than stop there in an embarrassing situation at the gate with eighteen flat tires, I quickly pulled into a parking spot in the huge yard. While I was driving through the yard I imagined hearing a hissing sound from each and every tire on my truck. Darryl and I got out of our big Ford, afraid to assess the damage. To our utter amazement, we could not hear a single tire leaking air. Would that ever have been humiliating for the President of the company to call home and say 'send me some money, I just blew all 18 tires at the same time!'" Vernon reminisces.

Vernon could not believe that not even one of his tires had been damaged while going over the traffic control spikes the wrong way. When inspecting the spike strip, he found that some of the spikes were broken and had thus not stood up to the truck's weight. It must have been exactly at the location of those broken spikes that Vernon's truck had crossed over: "Not many were broken, however, and the rest stood out about 12 inches, so how we managed to avoid the spikes, I will never know. I attribute our good fortune to the fact that the Lord was with us and guided us through this situation, saving us from a lot of embarrassment!"

After delivering the load, Vernon and Darryl headed back to the 76 Truck Stop in Ontario, California. This time they entered the lot through the proper entrance. They paid a fee for parking, and then went to a nearby motel where they spent the weekend. After touring the city in a rented car on Saturday and Sunday, they were asked by dispatch on Monday morning to pick up a load of oranges for National Grocers out of McFarland, which needed to be hauled to Sault St. Marie and Sudbury.

As they were about to leave the parking lot that Monday morning to pick up their return load, Vernon checked over the truck to make sure that everything was working well. This is when he noticed that the fuel gauge did not register properly. Knowing that on Friday, when they had parked the truck it had registered at about $\frac{3}{4}$ of a tank, Vernon could not explain why all of a sudden it showed the tank as being empty. Vernon and Darryl headed for their pickup and quickly realized that there was nothing wrong with the fuel gauge, but that their tank was indeed empty. While the truck had been parked in the supervised parking lot over the weekend, someone had pumped and stolen at least 125 gallons of fuel out of their truck. It made Vernon angry that they had paid for security in the 76 Truck Stop yard and had still lost the fuel. After all that excitement, the return trip turned out to be quite uneventful.

Acquisition of Laurier Transport (1986)

Although *Erb* had authority to deliver poultry into Quebec for specific customers, the company had no general rights to go into Quebec. Following common practice in the regulated industry, they used a smaller local carrier with the proper rights as their interline service. In order to bridge the gap between the needs of customers and the limitations imposed on carriers through regulations, many companies worked through interline services in order to transfer and move freight into areas where they did not have authority in their own name. *Erb's* partner for distribution in and around Ottawa, as well as for loads going into and coming out of Quebec, was *Laurier Transport* in Ottawa. When *Erb* had loads going to Montreal, *Erb* trucks would take them to Ottawa and switch trailers. From there, Laurier would pull them on their trucks and take the loads to Montreal and into Quebec. In *Erb's* case, interlining with Laurier was not only a means for getting loads into the Province of Quebec, but it also worked the other way around. Laurier would pick up shipments destined for Toronto or elsewhere in Montreal, and bring them to their terminal in Ottawa, where an *Erb Transport* truck and driver would be waiting to pick it up for further transportation.



Driver John Verkuyl and his son Eli in 1988.



Driver Lloyd Snyder delivering at Knechtel's in New Hamburg.

After the two companies had cooperated for a number of years in this manner, Bill and Ed Wills, the principals of Laurier Transport, approached Vernon with the proposal to buy them out. They discussed the proposition during a dinner meeting at *Ed's Warehouse* in Toronto. After some initial hesitation, Vernon determined that it would be a good move for *Erb Transport* to have a distributor in that part of the country. Purchasing Laurier Transport made further business sense because Vernon had no interest in setting up his own distribution system in competition with Laurier or their potential successor. The two parties worked out a deal and in 1986, *Erb Transport* purchased Laurier Transport. With the purchase, came a PCV license to distribute meat in Ottawa and surrounding areas, plus the authority for *Erb* to go into and carry out of Quebec in their own rights. Furthermore, *Erb* would take over the small Laurier Transport terminal in Ottawa as well as the company's dedicated and experienced staff.

Under the terms of the agreement, Ed Wills stayed in Ottawa as terminal manager, while Bill Wills came to New Hamburg where he took on the role of sales manager and played an important role in operations as well, eventually becoming V.P. Canadian Operations. After working for *Erb* in their respective new roles for several years, Bill and Ed Wills decided to leave to pursue other opportunities. Ed had two sons, Greg and Kevin, who worked for *Erb* as well.

The transition from Laurier Transport to *Erb* was a very easy one: there was a lot of continuity as the Wills' staff and systems were changed over to *Erb* with some adjustments. Most of Laurier Transport's staff stayed on as well, as *Erb* dovetailed their seniority in with *Erb's* seniority system. Floyd Gerber remembers: "When we had meetings with the Laurier employees, we instantly found that there were so many things that were common between the two organizations. It was a very easy transition."

Although the acquisition of Laurier Transport gave *Erb* the authority to go into Quebec, it was limited to going through Ottawa. In order

to further broaden the company's authority, during the final stages of regulation in Ontario, *Erb* applied for additional authority to go straight into Quebec from any point in Ontario without having to go through Ottawa first. They were successful in obtaining that license right around the time Ontario became deregulated in 1989.

In retrospect, purchasing Laurier Transport was an important milestone in the evolution of the *Erb Group*, as it marked the first major acquisition of another carrier. The acquisition of Laurier would later be followed by the purchase and successful integration of *DCA Transfer* in Belleville (1995), and of *K-DAC* (2009) into the *Erb Group of Companies*. V.P. Sales John Jutzi remembers: "Buying Laurier Transport opened the Quebec market for us and made us more efficient than during the years of interlining with Laurier. The acquisition gave us an Ottawa presence, as well as the Quebec link, and that was really the start of our Quebec business, and that was pivotal for us."

Effects of Deregulation (1989)

In 1989, that is 9 years after the trucking industry in the U.S. had been deregulated, trucking in Canada became deregulated as well. In simple terms, while trucking companies still needed authority to carry for the general public in the deregulated environment, almost anyone could buy a truck and become a "for hire" carrier.

Deregulation came at the expense of larger carriers in particular. As many new and often small trucking businesses entered the market, competition became fierce. Hauling rates were slashed to an extent previously unheard of, as everyone was competing for the same product. Many trucking companies were not able to adapt to this dramatically changed structure of the industry. Unionized companies in particular could not adjust their costs quickly enough and ended up going bankrupt. *Erb Transport* was not immune to the effects of these and other drastic changes either. In the immediate aftermath of deregulation, the company went through some very difficult times



Erb truck with a used Bonney trailer before the trailer was repainted in the Erb colours, September 1986.



Wendell Erb and his brother-in-law Jack Coxon hauling a load of wine from Niagara to Port Moody, B.C. with Bryant Harris's tractor in March 1986.



Erb truck with a used Bonney trailer before it was repainted, December 1986.

that Vernon and his family, company management and many of *Erb's* senior people remember to this very day as the most challenging period in the over 50 year-long history of the *Erb Group of Companies*.

Erb Transport on the Brink, 1988-1991

With various terminals all over Ontario, operating at full capacity and specializing in one particular segment of the food market, *Erb Transport* seemed to be well-positioned when the Canadian trucking industry became deregulated in the late 1980's. Upon closer examination, however, Vernon and the management team realized that even though revenue had gone up, profits had gone down. They were about to learn the hard way that *Erb Transport*, like so many other well-established companies, was not immune to the massive changes that were just about to occur in their industry and in the North American economy at large. During the ensuing crisis that lasted for several years, it became apparent that *Erb* had grown too fast throughout the second half of the 1980's and had borrowed too much money to finance that growth, putting them at the mercy of

the banks in times of an unforeseen crisis situation. Furthermore, even though freight volume had reached an all-time high, *Erb* was not handling the freight as efficiently as would have been necessary to maintain previous profit margins. As a result, *Erb's* pricing did not fully reflect the actual costs involved in handling the freight for their customers, further contributing to the growing disparity between higher volume and lower profits.

Between 1989 and 1992, *Erb Transport* experienced the most severe crisis in the company's history. It was caused by a multitude of factors: fierce competition and price-cutting as a result of deregulation, together with an acute crisis situation at the Toronto terminal, which due to its key role filtered through the entire organization, and these issues were only at the cusp of what the company was about to face. "A perfect storm" developed when in the wake of the First Gulf War and the introduction of the GST, consumers drastically reduced their spending and *Erb*, like so many other businesses, experienced a massive sudden drop in business volume. As the crisis deepened, many well-established companies folded, making the banks, which had financed most of the economic growth during the previous decade through loans, increasingly nervous and demanding immediate changes in the way companies conducted business. At *Erb's*, the situation had become so dire that in the winter of 1990/spring 1991, as volume went down, for the first time in the company's three-decades-long history, *Erb Transport* had to temporarily lay off approximately 30 employees throughout the company network.

Vernon had never anticipated that deregulation would affect *Erb* the way it did. When it became known that deregulation in Ontario would soon become a reality, he was called into Toronto several times to meet with the banks which had been financing a significant part of the company's growth throughout the 1980's. When asked by the bankers how deregulation would affect *Erb Transport*, Vernon replied with confidence: "Don't you worry, we will be ok." He felt that

because the company was so specialized and because they had a fully operational terminal network in place, deregulation would cause them no serious problem.

One of the negative side effects of deregulation for larger carriers like *Erb Transport*, who hauled product into certain areas, dropped the loads there and used smaller companies with local rights for distributing them to local customers, was that all of a sudden, these smaller distributors that had only operated in specific localities were authorized to do the entire job themselves. Instead of waiting for an *Erb* truck to pick up a load at the meat-packing plant and drop it at their local yard for distribution in a certain area, they would now often go straight to the plant and pick up from there. Operating with smaller equipment and trying to divert meat packers from working with established trucking companies like *Erb*, they undercut the larger trucking companies' rates quite substantially. All of a sudden, new businesses emerged from all over, offering to do the work that *Erb* had been doing for years at rates they simply could not compete with.

In 1988, there was a major change in personnel in *Erb's* Toronto terminal. Murray and Audrey Scott, a husband and wife team who had done an exceptional job in running operations in Toronto for many years decided to leave the company. Murray had run operations as well as doing sales and Audrey had looked after the office in their respective roles as terminal manager and assistant terminal manager. Murray and Audrey are good personal friends of Vernon's. Today, Murray is in charge of overseas missions for *Transport for Christ*. When Murray and Audrey resigned in July 1988, a new terminal manager was brought in. Wanting to please employees and listening to their suggestions, he started making major changes, moving people around into new positions. Within the matter of a month, many experienced employees were assigned new responsibilities within this key terminal. Vernon, sensing that these associates might not adjust to their new roles and responsibilities quickly enough, felt that they might be headed for trouble. After being assured by



The fleet in Erb's 30th anniversary year 1989.



The fleet in 1989.



Vernon and Viola Erb celebrating 30 years of Erb Transport in 1989.

terminal management that everything was under control, however, Vernon decided not to intervene any further for the time being.

Unfortunately, it did not take long before the situation got out of hand. After a while, there were large amounts of product waiting to be processed at the terminal with no one knowing where the corresponding bills were, as people in their new positions were not able to stay on track. At one point, there were 10 trailers with LTL shipments sitting in the yard fully loaded, but no one knew where they were supposed to go. Customers called in and complained. Many of them were really upset because they could not understand how service had deteriorated so rapidly in a company whose reputation was built on reliability, outstanding service and dedication to customers.

At the helm of the crisis, in 1989, Vernon visited Wayne Baechler, who had left *Erb* in 1980 and was working for another carrier at that time. Wayne remembers: "One day totally out of the blue Vernon came walking into my office at that other company and he looked kind of troubled. I'll never forget it, he said: 'Wayne, I've got two tickets for the Toronto-Boston hockey game tonight - you're going with me!' And I did."



Vernon and Viola with Wilmot Township Mayor Lynn Myers at the official celebration of Erb Transport's 30th anniversary in 1989.

The two men did not pay a lot of attention to the game. They just talked and by the end of the third period, Wayne knew he had to come back to *Erb* and help Vernon straighten things out at the Toronto terminal. He gave notice and a short time after that meeting, was looking after the dock and operations at *Erb's* Toronto terminal, thriving in his role as *Erb's* "mobile emergency response unit," and as the person within the organization who fills leadership roles across the terminal network in-between permanent terminal managers. To Vernon's great relief, Audrey and Murray Scott were willing to come back as well to manage the terminal until a new, permanent terminal manager would be ready to take over the responsibility. Wayne Baechler remembers: "When Murray and Audrey came back, we worked day and night to get things straightened around. We were a good team and got things going again."

While things at the Toronto terminal were turning around under Murray and Audrey Scott's resumed leadership, trouble was far from over. When the first Gulf War started in the fall of 1990, lasting into 1991, and the GST was brought in on January 1, 1991, virtually everything came to a halt at *Erb Transport*. As consumers stopped

buying, the company experienced an unprecedented drop in business volume that threatened the very existence of many companies all over North America. The economic crisis widened quickly and like so many other business leaders, Vernon did not know whether his company would be able to make it or not. "The bottom fell out in the Canadian economy in general in January and February of 1991," Vernon remembers. "We experienced a drop in business and a corresponding drop in revenue as never before." Up until that point, the bank *Erb* had been dealing with over the years had been very generous, giving them whatever they asked for. Since *Erb* had always been able to provide a lot of security through their equipment, the bank had financed almost anything for them. However, in the midst of the crisis, the bank came in and insisted on drastic changes.

Ian Tilley, Vernon's trusted advisor from the accounting firm Martin, Tilley and Co., had advised *Erb* in the past to spread out their financing and work with different organizations instead of solely relying on the bank for all of their borrowing needs. *Erb's* bank became particularly concerned when *Erb*, for the first time in the company's history, was not able to pay accounts within 30 days. Instead, they had to stretch out accounts payable to 60, 90 and at times even to 120 days. Fortunately they had customers, such as *Kirby International* in Kitchener, *Thermo King* in Toronto, and *Breadner Trailer* in Kitchener who stretched themselves, and were willing to extend *Erb* additional credit. Other suppliers were not as forthcoming and told them they would cut them off if they did not pay on time and followed through with that promise.

Kevin Cooper, *Erb's* Senior V.P. of Canadian Operations and Finance, reflects on Vernon's relationship with customers during that challenging time: "Vernon's word was his bond. If he promised something, he was going to keep his promise. When we had our problems back in 1989 and were running out of cash, one of the things that kept us afloat was that we did not over-promise. Instead, we under-promised and over-delivered. If we told a customer that

they would have to wait another two weeks and that they would get their cheque on a certain date, on that date they *did* get their cheque. When customers asked us what the situation was with the bank, we told them the truth. Vernon would not let us hide. And that was fine, because we were all on the same page."

Noticing that *Erb* was struggling, the bank wanted them to sell company assets and terminals in particular, and lease them back from the buyers in order to lower their debt to equity ratio. On the insistence of the bank, *Erb* ended up selling their Trenton terminal to Bill and Ed Wills, the former principals of Laurier Transport in Ottawa. Wanting to help Vernon through what they perceived as a temporary crisis, Bill and Ed Wills agreed to very generous terms: *Erb* would lease the building from them for the time being, but was given the rights to buy it back after a few years when the company had recovered financially. The bank pressured *Erb* to do things at the time that Vernon felt cost them a lot of money in the long run. However, he agreed with the bankers' overall assessment that the company's debt to equity ratio had to be brought under control.

Vernon, in talking to the banks, tried to assure them that over time, *Erb* would get things straightened out. The banks wanted \$2 million of shareholders equity to be injected into the company either through taking on additional shareholders, or by other means. Vernon, although seeing the need for increasing equity in the company as well, was somewhat hesitant to bring outside investors in for fear that they might eventually try to take over the company. Exploring his options, he approached his friend Milo Shantz with the suggestion that he become involved in the company again. The Shantzes, however, had to turn down Vernon's proposal because they had just made a major acquisition. Vernon remembers to this very day Milo telling him at the time: "Vernon, in business it is never up all the way. It is up and down and up and down. You have to accept that right now you are in a downturn. You will come up again." Using his excellent relations with the banks, Milo made some phone calls to the banks on *Erb's*



Vernon and Viola in front of the restored Home Hardware truck during Erb's 30th anniversary celebration in 1989.

behalf. He also supported Vernon with much-appreciated advice and encouragement throughout this pivotal time in the history of *Erb's*.

With the banks insisting on large sums of money being put into the company, Vernon and Viola re-mortgaged their house and put the money they gained that way into the company. Their accountants had warned them not to take that step out of concern that in trying to save their company they were putting their own livelihood at risk. Vernon who strongly believed that his company would withstand the crisis, replied: "I have enough faith in our ability to turn the ship around." Many of *Erb's* minority shareholders, mostly long-time drivers who had become shareholders back in the 1970's, as well as some external shareholders, while being very concerned, maintained faith in Vernon's ability as well and asked how they could help the company in this critical situation.

Within a short time, *Erb* raised well over \$1 million in new shareholder loans. Quite a few employees became involved through the new employee share plan, which invited *Erb* associates to buy shares in the company. Fleet manager Joe Weber was a key advocate in promoting shares to *Erb* employees. The reaction from within the *Erb* community was simply overwhelming: realizing that the company had fallen onto hard times, employees who had known Vernon and Viola for years and trusted them, were willing to do whatever they could to help them weather the storm. To this very day, Vernon and Viola are thankful to those employees who put their faith, trust and hard-earned money into *Erb Transport* by buying shares during difficult times when the survival of the company was not guaranteed at all. Together with some outside investors, *Erb* associates played a major role in helping *Erb Transport* persevere through the crisis.

Aside from the business implications and the potential threat to their family's livelihood, these were very stressful times for Vernon and Viola because they felt a deep responsibility for their employees who naturally feared that they might end up losing their jobs. Seeing

many members of the *Erb* community being tremendously supportive and making serious sacrifices to keep the company alive, in spite of their own well-founded concerns, was extremely humbling for Vernon and Viola. The sense of family they felt within the organization gave them a lot of strength as they tried to steer the company towards calmer waters again.

As the number of casualties of the economic crisis grew, the banks continued to question Vernon in regards to how *Erb* was any different from those businesses that were folding on an almost daily basis. Vernon had faith that if the banks gave them time, *Erb* would get through the crisis. What Vernon was asking the banks for was patience until things got rearranged, the newly raised equity would become available and things got back to normal again. In spite of Vernon's objections, however, the bank insisted on sending in a group of accountants to conduct a financial feasibility study, which cost *Erb* \$100,000. The bank left no doubt that its continued support of the company depended on the outcome of that study. With some of *Erb's* accounts payable in arrears of up to 120 days at the time, Vernon felt that the money should have been used instead to pay long-time suppliers who were patiently waiting for their money. It was very frustrating for Vernon to see how the banks completely changed the way they were treating him and the company. The confidence they had shown in *Erb Transport* in the past did not seem to count much in the crisis situation *Erb* found itself in.

Instead of trying to hide their problems from their customers and employees, the *Erb* team used the challenge to pull together even further and to keep motivating each other, trusting that there would be better times ahead. *Erb's* employee management committee program was expanded and employee management committees were established in the various terminals in order to provide employees a collective forum where they could bring to the table any concerns or issues they might have. At the same time, credit manager Cindy Shantz created the new "Let's get it back!" slogan and Dorene Rudy-

Snyder, who was *Erb's* public relations manager at the time, devised *Erb's* matching "Let's get it back" campaign. Banners were printed on computer paper the length of an entire warehouse and put up in the various docks and terminals.

Reflecting on developments in the company and the economy during the previous 2 years, Vernon stated in the *Erb Report* company newsletter in the fall of 1991: "After 32 years, you'd think I would have experienced almost everything there is to know in the trucking industry, but 1991 proved differently. I have seen more changes take place in the last two or three years than in the previous thirty years!" Looking back, Vernon maintains that the crisis was partially of their own making, and partially due to political and economic circumstances that were beyond *Erb's* control. In retrospect, the years of 1989 to 1991, albeit very stressful for everyone involved, provided some important lessons that have stayed with the company ever since and have ultimately made the *Erb Group* stronger in the long run. Vernon explains: "I certainly learned the lesson that never again did I want the company to overextend itself. Prior to that we were borrowing money whenever we wanted to build a new terminal or buy some new trucks. After those tough times, we learned that we have to be much more conservative in how we do things." The crisis at the Toronto terminal, which had contributed to *Erb's* overall difficult situation, further reinforced Vernon's style of making cautious decisions and not making changes that might have a negative impact on the organization too quickly. Seeing their own people making sacrifices for them because they did not want to see the company go down, as well as support from loyal suppliers further reinforced the values which the company had been built on over the years: personal relationships built on trust and respect, the company's character as a family business, and outstanding service to customers. "We have thanked the Lord many times that things have worked out for us and that we did get through those and other difficult times," Vernon concludes.



“Be Successful through Change”

The Erb Group in the 1990's



Trucks of the 1990's era.



Barrie Terminal.



Trenton Terminal under construction, 1990.



Elverson Terminal.



Montreal Terminal in Dorval.

Business Development in the 1990's

Under the new motto, "Be successful through change," *Erb* embraced the lessons learned from the crisis of the late 1980's by adopting new strategies and paying closer attention to processes at all levels of the organization to increase accountability, efficiency and profitability. The new gain-sharing program, introduced in 1992, allowed *Erb* associates to directly benefit from the overall performance of the company while a new Mission Statement reinforced the core values of the organization. Viola Erb developed the new company slogan "Another Cool Move," which since 1997 has been printed on each and every *Erb* truck and today is as much of an identifier of the *Erb Group of Companies* as the *Erb* logo.

The 1990's proved to be another decade of consistent, yet less dramatic growth in all areas of the business: people, equipment, terminals, shipment volume, as well as acquisitions. The number of associates grew from around 650 people in the early 1990's, to close to 900 across Ontario, Quebec, and the U.S. in the late 1990's. In 1991, *Erb* operated 671 pieces of equipment that traveled over 17 million miles delivering approximately 1,290,413,701 tons of goods to over 10,000 customers. By the turn of the century, the *Erb* fleet had almost doubled yet again to 1,227 pieces (155 straight trucks, 371 tractors and 701 trailers).

Many of *Erb's* shipments throughout the 1990's originated with new high-volume customers, such as Weston's *Ready Bake*, *Rich Products*, *Maple Leaf Foods*, *Trenton Cold Storage* and *Proctor and Gamble*, who used *Erb* as their carrier particularly for cross-border shipments into and out of the U.S. Under Wendell Erb's leadership, the U.S. division grew by leaps and bounds while Canadian operations were further expanded through the acquisition of DCA Transfer in Belleville in 1995, giving *Erb* a stronger position in Eastern Ontario. New terminals in Barrie (1990); Trenton (1990); Elverson, Pennsylvania (1990); Sault Ste. Marie (1991); and Montreal (Erb's Montreal terminal moved to

Dorval in 1991); the Incorporation of *Erb International* as a separate company in 1994, as well as the founding of *Erb Expedite Inc.* as a specialized carrier of urgent freight in 1997, and the opening of the Food Store for damaged product in New Hamburg in March 1997 under the leadership of Vernon and Viola's daughter Karen Buhr further consolidated *Erb's* Canadian and U.S. operations.

"Be Successful through Change": New Strategies, Technologies and Change in the early 1990's

While micromanaging the company through the 1988-1991 crisis, Vernon had come to realize that the larger size of the company required certain adjustments, including higher levels of accountability within the organization, increased focus on best practices, and finding ways for *Erb* to stay successful through periods of change and flux. As a result, beginning in the early 1990's, more emphasis was placed on reviewing operations and striving to be more efficient and cost-effective. In his president's message in the Spring 1993 volume of the *Erb Report*, the *Erb Group's* periodical newsletter, Vernon communicated to the *Erb* community: "There is a need, today, for the whole business environment to change. What worked well in the past, does not work any longer today. We need to address the barriers that must be removed to be successful. By taking a deliberate and disciplined approach, our purpose... *is to be successful through change.*" Thus, the motto for the 1990's at the *Erb Group of Companies* was born.

The lessons learned through the 1988-1991 crisis and the company's new strategy to "be successful through change," were laid out and transformed into tangible goals by *Erb's* Mission Statement, which was adopted in January of 1992. Through its stated purpose "to achieve and maintain customer satisfaction and loyalty," its commitment "to serve each customer superbly," the belief that "by serving customers we can also serve our communities," and the defined task "to be profitable through service," the Mission Statement was ultimately

a reinforcement and renewed commitment to the values which the company had embraced since *Erb Transport's* earliest days. Throughout the spring of 1992, Kevin Cooper and Vernon visited most of the terminals with the purpose of introducing the new gain-sharing (profit-sharing) plan, as well as to present the Mission Statement to *Erb* associates. Their ultimate goal was to communicate tangible ways in which *Erb* employees would be able to apply its principles to improve processes throughout the company. Declared goals and focus areas, as defined in management meetings, were:

- 1) To continue to develop a dedicated team of employees
- 2) To meet our customers' needs
- 3) To know and control costs
- 4) To be profitable
- 5) To communicate
- 6) To share with our communities

When Vernon and the management team originally set the goal of "be successful through change," they did not envision how much change would be involved in the end. As it turned out, the 1990's were a decade of many changes at *Erb*: there were changes in management both at head office and in several terminals, as well as changes in communications, as new computer technology and Electronic Data Interchange (EDI) and Central Dispatch in particular facilitated improved communications within the organization and with customers. The introduction of EDI allowed all of *Erb's* terminals to receive customer bills electronically, realizing tremendous benefits in communications and service. The company's new gain-sharing program and annual performance review, created employee incentives and increased individual employees' accountability; new training initiatives and supervisory training led to heightened employee awareness of cost-related issues, new marketing initiatives, e.g. having a show booth at *Showcase '92*, a food show in Toronto in September 1992, meant redefining how the *Erb Group* presented itself in the wider community. In putting more emphasis on business

analysis, Vernon and the management team benefitted greatly from the company's relationship with Ian Tilley of the *Tilley, Martin and Co. Group*. Vernon comments: "Ian Tilley has been very helpful in the professional advice he has been giving us as an auditor, accountant and business advisor. His company has been very close to us and guided us along the way through the 1990's so that we would not get into those problems again that we experienced during the early 90's, and we appreciate that very much."

The Erb Group of Companies' Mission Statement

Erb Transport is a specialized transportation and distribution enterprise where serving the unique needs of each customer is our highest priority.

Our purpose is to achieve and maintain customer satisfaction and loyalty by the actions of a team of dedicated employees, who are paid fair wages, receive good training and benefit from a workplace where personal and professional growth is always encouraged.

Our commitment is to serve each customer superbly by "doing it right the first time" - with consistent courtesy, on-time delivery, and superior support from every member of our company.

Our belief is that by serving our customers we can also serve our communities and share our good fortune with families, friends and the neighbourhoods where we live and work.

Our faith sustains us as we strive for this success.

Our fundamental task is to be profitable through service, so that our business can continually benefit from renewed investment, can remain on the leading edge of its industry and thus enable all those who participate in it to achieve an appropriate financial return.

Another Cool Move

Viola Erb, when traveling on the road, has a habit of always looking at logos and slogans. Back in the 1980's and early 1990's, she often noticed that many trucking companies carried slogans on their trucks. One time, as she and Vernon were driving together, she asked: "Why don't we have one?" "Cool Move" was kind of a buzzword at the time, particularly among teenagers. Considering that their company specialized in hauling refrigerated goods, Viola thought that "Another Cool Move" would be the perfect slogan for *Erb*. Nothing happened for about 2 years, because the person *Erb* used for the design of advertisements at the time did not like the proposed slogan. Eventually, Vernon decided to take the idea to someone else and get the decals done.

One day, the local membership chapter of *MEDA (Mennonite Economic Development Associates)*, to which Vernon and Viola belong, was touring the *Erb* terminal in New Hamburg. Standing outside the building, Vernon, who was accompanied by Viola, was telling the group some of the history of *Erb Transport* when a tractor-trailer came driving out of the shop. To Viola's great surprise, the trailer had the "Another Cool Move" slogan on it. Unbeknownst to Viola, Vernon had planned for this to happen. Viola could not believe her





Erb truck and trailers at Kellogg's in Rossville, Tennessee, August 1992.



Erb trucks at the Tropicana distribution centre in Jersey City, New Jersey.



Howard Lebold's truck being unloaded at the Cold Storage facility in Hackensack, New Jersey.

eyes: "There it was, finally, after all those years," she remembers. The slogan was adopted in 1997, and since then has been put on each and every *Erb* trailer. Prior to that, they had used the slogan "Delivered cold by warm hearted people" in their print advertising, but not on their trucks.

Picking Up Momentum: Company Growth during the 1990's

By the summer of 1992, *Erb* was almost meeting budget again, and in 1993 things really started to come together. Coming out at the other end of the most severe financial crisis in the history of the company, *Erb* employees received gain-sharing cheques for 1992. As of August 1, 1992 *Erb* was the #1 LTL carrier for *Kraft Montreal* into Southwestern Ontario. When *Coca Cola* opened a fresh juice division in Belleville, they gave their LTL business into Ottawa/Peterborough and Southwestern Ontario to *Erb*.

The international market to and from the U.S. regained strength during the early 1990's and, as a result, *Erb's* International division grew by leaps and bounds throughout the decade. An expanded contract with *Kellogg's* provided for over ten weekly loads from Rossville, Tennessee and New Jersey to *Associated Freezers* in Toronto. *Erb's* U.S. operations continued to move a significant amount of frozen soup for *Campbell's* as well. *Erb* also did a lot of business with *Hershey's*, trucking *Hershey's* chocolate in and out of the U.S. and within Ontario. During the last week of December 1992 alone, there were 60 full truckloads of *Hershey's* product originating at the *Hershey's* plant in *Smith's Falls*. Although *Hershey's* has since closed that plant, *Erb* continues to look after many of *Hershey's* international shipments between Ontario and the U.S.

When *Weston's Ready Bake Foods* started up a frozen food department, *Erb* became their primary carrier for shipments throughout Ontario and in and out of the U.S. *Rich Products* from *Fort Erie*, and *Trenton*



Erb trailer docked at Rich's in West Palm Beach, Florida, in August 1995.

Cold Storage in *Trenton*, were two other high-volume customers that came on strong during the 1990's. Following some major expansions and the building of large freezers in various locations, *Trenton Cold Storage* established a consolidated freight program, consolidating product from different customers and shipping it throughout Ontario. When *Erb* became their carrier for these consolidated shipments, this meant a significant boost for *Erb's* operations in the *Trenton* area. To this day, *Erb* continues to do a lot of work for *Trenton Cold Storage*. Aligning themselves with *Trenton Cold Storage* and eventually becoming their in-house carrier, was pivotal for the growth of *Erb's* business in Eastern Ontario. Throughout the early 1990's, *Maple Leaf Foods* became *Erb's* single-largest customer.

While most of the growth during the 1990's occurred in *Erb's* primary area of business, refrigerated products, the company expanded into general freight as well. In 1990, after the market was deregulated, *Erb* obtained operating authority to haul general freight to and from all points in Ontario, and between points in



Delivering bananas from M. Levin in Philadelphia to the Ontario Food Terminal.

Ontario and border points between Ontario and Quebec, Ontario and Manitoba and Ontario and the U.S. Without taking away from their main focus on being a refrigerated food carrier, this allowed *Erb* to actively solicit an additional type of commodity for backhauls to balance loads. Equipped with that new authority, by the summer of 1990, *Erb* trucks were backhauling toolboxes from *Smith's Falls* and soap, crèmes and pharmaceuticals from *Perth* to the *Toronto* area.

Looking back, the 1990's were a time of constant growth, but as *Vernon* reflects, "growth at a slower rate than what we were used to in the 1980's."

New Hours of Service Regulations Change an Entire Industry

Many of the new trucking companies that were entering the market after deregulation had no experience. Even worse, they were often running at significantly lower rates than established companies and

further, with unreliable equipment. As competition kept building in the deregulated market, rates dropped significantly, forcing many trucking companies to run their trucks day and night to make up for lost profit margins. With many overtired drivers and unsafe equipment on the road, safety and driving times became a major issue of concern. In response, the Ministry of Transportation started to zero in on driving times, checking log books regularly as well as enforcing other safety standards. The ministry's changed focus from legality to safety changed the entire industry and created a different environment.

After he had become *Erb's* first driver supervisor in 1980, it was one of Floyd Gerber's tasks to put structures in place within the organization that ensured compliance with the hours of service rules. Driving hours became a matter of concern both for safety and compliance reasons. Floyd Gerber remembers: "The industry was being audited more, and enforcement was being stacked up in those areas. But it brought order to what the drivers were doing in terms of their ability to work and quality of life."

Hours of service enforcement put more responsibilities on dispatch and on the outlying terminals in particular. Like many other carriers, *Erb Transport* had to change their distribution packages and redesign delivery routes, as dispatch now always had to take into account whether the specific driver, being assigned to a load, had enough driving time left to make the trip and back. Once drivers became limited in their driving time, *Erb* lost the ability to service certain destinations, like Orillia, from their New Hamburg terminal. Instead, outlying terminals in locations such as Barrie, Sault St. Marie, or North Bay increased their radius: North Bay drivers, for instance, would come down as far South as they could, while Barrie drivers went as far North as was possible under the hours of service regulations. Floyd Gerber concludes: "It all worked out because we had a company presence in these locations to make it work. We were able to accommodate a required change that we had not planned for. It worked out for us because of the way we were established."

From Erb Transport to The Erb Group of Companies: The Founding of Erb Enterprises Inc. and Changes to the Corporate Structure (1994)

The year 1994 marked significant changes in *Erb's* corporate structure: *Erb International Inc.* – which includes the International division – was formed as an independent company under the new umbrella of *The Erb Group of Companies*. Employees working in the Canadian division continued to work for *Erb Transport Limited*, while drivers and staff in the International division carried on as employees of *Erb International Inc.* Under the new corporate model, *Erb Transport Inc.*, the *Erb Group's* U.S. sister company, based out of Elverson, Pennsylvania, became owned and operated by *Erb International Inc.* as well. Both *Erb Transport Limited* and *Erb International Inc.* are owned by *Erb Enterprises Inc.*, which is owned by the Erb family (75%) and other minority shareholders, including many employees (25%).

Acquisition of DCA Transfer in Belleville (1995)

Adding new terminals either through acquiring established smaller carriers with an existing terminal and an established local distribution network in a certain area or through renting/building a new terminal in an area of strategic importance, remained a significant part of *Erb's* growth strategy in the domestic market, and in Ontario and Quebec in particular. On April 1, 1995, building onto the company's excellent experience with the previous acquisition of Laurier Transport in Ottawa, *Erb* purchased DCA Transfer in Belleville. DCA was a small trucking operation with a good reputation run by Don McInroy and his son Al. Prior to the acquisition, *Erb* had used DCA for a number of years for product distribution in the Belleville and Kingston areas. Under their interlining agreement, *Erb* would offload their trucks at the DCA dock and DCA would subsequently sort the products, assemble loads and distribute them locally on their small delivery trucks.

Although DCA was only licensed to do distribution in the city of Belleville and surrounding area, their authority was of great advantage to *Erb* because Belleville was a drop off point for J.M. Schneider's, Burns Meats, Canada Packers and other meat processors that were using *Erb* for their transportation needs.

Erb Expedite Inc.

On March 17, 1997, *Erb Expedite Inc.* opened its doors for business as yet another separate company under the *Erb Group of Companies* umbrella. Originally managed by Darryl Erb and located at 125 Hamilton Road, New Hamburg, *Erb Expedite* was founded with the purpose to provide *Erb* customers with last-minute Expedite Solutions. By 2001, *Erb Expedite* was operating with two office staff, an office manager, and a customer service representative. At that time 10 refrigerated econo-vans were available 24 hours to meet every emergency need of their customers. Today, under its new name *Erb Transportation Solutions Inc.*, the *Erb Group's* expedite, courier, emergency and dedicated services division operates about 15 refrigerated vans out of its location in the Baden terminal. As reflected in the new name, the company's mandate has widened to include regular dedicated work, e.g. for moving meals from central kitchens to hospital facilities in Kitchener, Toronto, Oshawa and Kingston.

Raising the Bar: Providing Transportation Services for Proctor and Gamble

At around the same time that *Erb Expedite* was launched, Proctor and Gamble came on as a new major customer of *Erb's*. The company was re-launching its *Sunny Delight* product that was produced in Indiana and was widely popular in the U.S., in Canada. *Erb* was one of a limited number of carriers who met Proctor and Gamble's minimum qualifications for becoming a carrier for them and, as such, was invited to bid on that business. John Jutzi and Wendell Erb went down to Cincinnati, made their sales presentation and

Erb was chosen to haul Sunny Delight for Proctor and Gamble into Canada. Wendell Erb reflects: "They were by far the most demanding customer from a reporting perspective, in terms of on-time pickup, trailer pools, cleanliness of the trailers etc. At the same time, we were not allowed to broker any of this freight. When the product was shipped it had to be on an *Erb* truck. We were going from Manitoba to St. John's, Newfoundland with that product and because of the level of service they demanded the freight rates were very good."

Erb Transport was very successful in their business dealings with Proctor and Gamble, hauling product for them for several years. The company provided a lot of shipping volume, with 50 to 60 loads a week on average. One week *Erb* hauled 77 truckloads of Sunny Delight out of Indiana into Canada. Working with Proctor and Gamble, which was not the traditional food company *Erb* was used to hauling for, learning about the company and its processes and trying to meet their exceptionally high standards, was an important milestone for *Erb*. Wendell Erb explains: "Because of the high level of service that Proctor and Gamble demanded, that just lifted everything else we did for all the rest of our customers. In hindsight, all our customers are now at the same level of service we provided to Proctor and Gamble back then. Acquiring Proctor and Gamble's business and meeting their strict service standards was a real turning point for us from a service standpoint."

Gradual Leadership Transition: Wendell Erb becomes General Manager (1999)

After years of recruiting senior management from within the organization by moving experienced drivers into positions of increased responsibility, *Erb* brought in Ian Tilley as their auditor and accountant, and further in a consultative role. One of Ian Tilley's focus areas was to make *Erb* more professional from a management perspective. By the 1990's, the company had grown to a size where Vernon felt that they needed some additional help in top management. Ian Tilley was a great



The fleet lined up in the New Hamburg yard in the late 1990's.

advocate of Vernon's ability to and belief in delegating responsibilities. He suggested to Vernon to hire a General Manager to help him in day-to-day operations. In response to Mr. Tilley's advice, *Erb* tried two external people in the role of GM, but neither one of them seemed to fit the company's unique culture, nor were they fully familiar with the character and corresponding requirements of managing a trucking company that is specialized in refrigerated LTL freight. Despite the lack of success with those two managers, Mr. Tilley continued to emphasize the need for *Erb* to find a General Manager. Given the substantial size of the company, he was convinced that Vernon would benefit from having a right-hand man to assist him in day-to-day operations.

Soon the focus turned to the larger question of leadership transition within the family. Vernon turned 64 years old in 1999 and it became

clear that he would not lead the company for ever. Since Wendell had done very well with building up and managing *Erb's* growing U.S. operations, the thought evolved that perhaps Wendell was ready to take on the role of General Manager. With the help of an external consultant, whose exclusive role it was to help the family decide on questions related to the transitioning of the company into the next generation, it was unanimously decided in the family that Vernon and Viola's oldest son Wendell should take on the overall leadership. As a result, Wendell Erb became GM in 1999.

Unfortunately, in the aftermath of that decision, the consultants overstepped their bounds and ventured into the corporate side of the family business, despite the fact that their mandate had been limited to helping the Erbs in the decision-making process regarding

the transformation of the company into a second-generation family-owned and family-operated company. With their mind set on making changes both in management and operational processes, the consultants began interviewing *Erb* employees while Vernon and Viola were attending a business conference in the U.S. followed by a short vacation in Florida. Without having an understanding of the complexity of leading *Erb's* Canadian operations, that is the challenging nature of overseeing several terminals spread out all over Ontario and Quebec, in addition to managing thousands of LTL movements on a daily basis, the consultants tried to build a case against Viola and Vernon's son-in-law Gerald Buhr, their daughter Karen's husband. Gerald was V.P. of Canadian Operations at the time, while Wendell had held the position of V.P. of the International division prior to becoming GM.

Vernon and Viola met with the main consultant at the business conference they were attending in the U.S.; they simply could not believe the stories he was telling them about their son-in-law. When the consultant suggested that they bring in someone else to lead Canadian Operations, Vernon realized that he needed to intervene. He insisted that the consultant not do anything in the company until he and Viola would get home from Florida. When Vernon and Viola left the convention for Florida, they were devastated. In spite of Vernon's repeated and explicit instructions not to undertake any steps and not to meet with Gerald during their absence, two days later Vernon and Viola received a call from their daughter Karen. Utterly upset, she told her parents that the consultants had fired Gerald. When Vernon later investigated the matter, he found that the firing of Gerald was just the beginning in a series of firings planned by the consultants, who increasingly believed that it was their role to replace long-time, loyal employees with part-time workers, in order to save costs and single-mindedly revolutionize operations at *Erb Transport*. Although not being a man who ever loses his temper, Vernon had had enough. In very clear words he told the consultants to get out of his company before they could cause even more damage. Vernon and Viola were devastated for a long time; it goes without saying that this matter



Aerial view of the New Hamburg Terminal in 1996.

was extremely hard on relationships within the family. Vernon knew families that had split up over family business issues, and having the company create any division within his family was the last thing he wanted. Looking back, he feels that he should have stopped the consultants earlier and never allowed them to overstep their role in such a devastating way.



The Dawn of a New Era

*The Erb Group of Companies
since 2000*

CHAPTER 6

Company Development 2000-2013

The predominant theme of the last twelve years at *Erb* has been change and the need to constantly adapt to ever-changing market conditions. By being proactive and always willing to embrace these changes, *Erb* has continued to grow significantly throughout the 21st century. In 2004, the company achieved the highest level of gain-sharing ever. Two years later, the *Erb Group* put through the largest pay raise in the history of the company. By the middle of the decade the company had grown to over 1,200 employees, over 1,600 pieces of equipment, and a terminal network that covered Ontario, Quebec and Pennsylvania. In June 2005, the *Erb Group* took part in a HACCP audit and became only the second Canadian carrier to gain HACCP Certification, thus confirming *Erb's* best practices in food safety and quality assurance.

As *Erb* entered its fifth decade in business, the size of the company and its character as a national and international carrier required a new level of corporate management structures. Under Wendell Erb's leadership, *Erb* built a core senior leadership team while placing increased emphasis on departmental responsibilities. New terminals in Baden (1999/2000) and Montreal (2004), the acquisition of K-DAC (2009), and increased service in Western Canada, added to *Erb's* position as a key player in the Canadian trucking industry. The continuous growth of the *Erb Group* since the beginning of the 21st century further manifests itself in the size of the fleet: whereas in 2000, *Erb* operated with 1293 pieces of equipment (143 straight trucks, 411 tractors and 739 trailers), today the fleet consists of 1902 trucks, tractors and trailers (158 straight trucks, 638 tractors and 1106 trailers).

When new satellite technology became available early in the decade, *Erb* immediately realized its potential to revolutionize driver communications, dispatch, and the way trucking companies operate on a daily basis. By 2004, *Erb's* trucks and terminals were fully

equipped with the latest technologies, and to this day, the company has made continuous upgrades to its communications systems in order to stay current and remain effective as an industry leader.

Erb's ability to proactively embrace change and management's willingness to always explore new market options, allowed the company to balance out downturns and remain successful in a cyclical, and at times, highly volatile environment. Faced with a declining value of the U.S. Dollar, SARS, BSE or Mad Cow Disease, a strike at a major food chain's distribution centre, the energy blackout, ongoing U.S. security concerns and resulting programs for cross-border shipments in the aftermath of 9/11, combined with unprecedented raises in insurance premiums across the industry, made 2003 a year of intense challenges that were beyond anyone's control. When the bottom fell out of the U.S. economy five years later, in 2008, *Erb* instantly lost a significant portion of their full truckload cross-border business, creating another incredible challenge, particularly in light of the fact that the International division had been a key contributor to the company's growth and well-being throughout the decade.

In spite of the severe challenges caused by the recession, *Erb* persevered. Their earlier decision to service Western Canada, an excellent customer base that included major food processing and other companies that continued to rely on *Erb's* exceptional level of service and dedication to the customer, allowed *Erb* to weather out what has been described as "a perfect storm."

Today, as the negative consequences of the recession have been overcome, *Erb* processes about 1,100 orders per week on the U.S. side, both truckload and LTL. On the Canadian side, *Erb* does 15,000 to 16,000 orders on a weekly basis. When *Walmart* entered the grocery business, this marked a significant change in the Canadian grocery industry. By becoming a carrier for *Walmart* in December 2008/January 2009, *Erb* aligned themselves with the company that continues to expand its market share in the grocery segment.

September 11, 2001 at Erb: A Day Never to be Forgotten

When two hijacked airplanes flew into the twin towers of the World Trade Center on the morning of Tuesday, September 11, 2001, this unprecedented terrorist attack shook people around the world. At *Erb*, the tragic events hit close to home: as an international carrier with many trucks going in and out of the U.S. on a daily basis, many *Erb* employees were in the U.S. that day driving, picking up freight or making deliveries. *Erb* drivers Bob Swartzentruber and Brian Wettlaufer were in New York making deliveries when they witnessed the terror attacks first-hand. The following is Bob Swartzentruber's report to the *Erb* community shortly after the event:

"On Tuesday, September 11, 2001, I was in Queens, New York, when I saw the first Trade Tower burning. The radio at that point did not know the cause. I immediately called Nathan Roth [dispatch] on my cell phone to let him know I could not deliver my Manhattan drop. While on hold waiting for Nathan, I witnessed the second building blow up and within a minute I heard on the radio that a plane had hit each tower. Traffic immediately came to a standstill. At that point, I became a little worried. I thought I was watching a movie and I wish I had been! In talking to people that lived there, reactions ranged from panic to horror and anger. I noticed later that afternoon, people had become very quiet, but that is understandable. After witnessing a horror like that – I know I never want to see something like that again."

On September 17, 2001, six days after he had witnessed the terror attack in New York, *Erb* driver Brian Wettlaufer was heading out to New York again. Before leaving, he was interviewed by Dorene Rudy-Snyder, *Erb's* public relations manager at the time. The following is her report on Brian's experiences on that tragic day:

"Brian has worked for *Erb* for only 2 ½ years, yet he is bravely heading for New York one week after an event we hope the world



Erb trucks at the Tropicana distribution centre in New York with the World Trade Centre in the background (picture taken by driver Gil Donovan).

will never have to experience again. He had slept by the side of the road that Monday night in Brooklyn, and he had just made his second delivery at 9:30 a.m. Tuesday. He saw huge clouds of grey smoke and noticed there was no trade tower. As he crossed the Brooklyn-Queens Expressway, he saw a fireball – which now he thinks was the plane hitting the second building, but he was on the other side. He proceeded with the rest of his deliveries. It was very strange – you could see a beautiful blue sky, and below it, a dense, grey ribbon of smoke, ash, etc. Everyone was in disbelief, some were in shock, and everyone was very talkative. He said within an hour or two, after the initial shock, people started to perform their usual duties. As he waited, he said it felt like he was in a snowstorm. Very quickly his tractor/trailer was covered with a fine, grey ash up to 1 inch deep! He said, initially, he was frightened, but then as people started to function as normal, he, too, was able to continue. He decided to make his two deliveries by the water. It was safe but everything was covered by a thick fog of smoke and ash. Nathan was able to arrange for Bob and Brian to meet at the same spot for the night. When I asked Brian how he felt about heading to New York again, he said he was a bit nervous, but it was his job and he wanted to do it!"

The *Erb* executive team was meeting on that fateful Tuesday morning. When they learned what had happened, they decided to immediately contact all drivers in the U.S. to make sure that they were ok. They first did a 50-mile-radius search around New York City to determine their drivers' exact locations. U.S. dispatch then sent satellite messages to all *Erb* people in the U.S., asking them to refuel, get some extra cash, and find a safe place to park the truck for the time being. Throughout the day, *Erb's* International dispatchers stayed in close contact with their drivers in the U.S. They were also able to immediately notify the drivers' spouses and families that their loved ones were safe.

Impact of 9/11 on Erb

In the aftermath of 9/11, in spite of having an excellent reputation with U.S. customs and with the U.S. Food and Drug Inspection Administration (FDA), *Erb* trucks were getting stuck in huge line-ups at border crossings into the U.S. When the initial shock was over, the U.S. authorities took a more systematic approach to addressing their security concerns, resulting in many new regulations and policy initiatives aimed towards the goal of securing the country's borders and controlling the entry of persons and goods into the United States. As a major cross-border carrier into the States, compliance with U.S. regulations became a key focus area for *Erb* as for all other Canadian companies crossing the Canada/U.S. border on a regular basis.

Realizing that the United States' new security policies would fundamentally change cross-border trucking and the operation of trucks in the U.S., *Erb* decided to be an industry leader by embracing those changes whole-heartedly. Whenever a new regulatory initiative made its appearance, *Erb* put great effort and resources into learning about the specific requirements and adjusting their processes and procedures to the new standards as quickly as possible. As a result, *Erb* quickly became compliant with C-TPAT (*Customs and Trade Partnership Against Terrorism*), FAST (*Free and Secure Trade*), ACE (Automated Commercial Environment E-Manifest / Electronic Truck

Manifest) and many other regulatory programs, helping company trucks to cross the border without unnecessary delays. Avoiding delays at the border was key to remaining profitable. With 360 to 400 loads moving into the U.S. each week (2003), even one extra hour at the border for each load, translated to up to 400 extra hours of non-productive time for the company.

Erb Transport became a C-TPAT/FAST-approved carrier, and the company encouraged their international drivers to become FAST-qualified by the U.S. authorities as well. The FAST program required *Erb* to provide a highly detailed and comprehensive report about the company, their security programs and best practices, employee background checks, and much more. Under the program, drivers had to apply for a FAST card to help them cross the border in a more expedited manner. Today, 85% of *Erb's* drivers are FAST-approved. V.P. of Human Resources Dave Dietrich explains: "We jumped on it and said, 'let's learn about this; let's go to the seminars and courses and find out about it and be industry-leading. That proactive approach has been very much to our advantage because it has enabled us to be more efficient as we cross the border because we were one of the pioneers for becoming compliant with C-TPAT, FAST, ACE and other regulatory programs."

The U.S. administration's "Bio Terrorism Act," which came into effect on December 12, 2003, imposed further requirements on carriers like *Erb* when clearing goods while coming into the U.S. Under that particular piece of legislation, carriers have to give prior notification to the border authorities for any product en route to the United States that falls under the jurisdiction of the U.S. Food and Drug Inspection Administration (FDA). Furthermore, the truck can only cross the border at the border crossing identified in the pre-notification. Pre-notification as defined by the FDA means having the paperwork submitted to the FDA no less than 2 hours and no more than 5 days prior to the truck's arrival at the pre-determined border crossing. The new requirement had the greatest effect on

Erb's LTL loads leaving Sunday evenings or Monday mornings. In order to complete all inward cargo manifests for the drivers and fax all appropriate paperwork to each different customs broker at the proper border crossing on time, *Erb* had to add weekend office staff to prevent drivers from being delayed at the border or even denied entry into the U.S.

Ongoing security issues and anti-terrorism programs in the U.S. required *Erb* to invest an increasing amount of time and effort into implementing new standards devised by the U.S. authorities, as well as communicating the company's compliance with them to each respective government department. In 2007, Jamie Sullivan was hired as security manager with the mandate to make the entire *Erb Group of Companies* C-TPAT-compliant. Whereas in the past, U.S. security requirements had to be met only by the International division, U.S. security standards now had to be applied across the entire organization. Part of this new customs initiative that was aimed at keeping the supply chain secure on all cross-border shipments, was the implementation of certain safe practices, such as ensuring that company trailers were sealed and secure at all times and that company properties were not being compromised.

As a result of that effort, in the summer of 2007, *Erb* became fully ACE-compliant on all national and cross-border shipments. The ACE program was developed by the U.S. Customs & Border Protection Agency to facilitate cross-border trade while strengthening border security at the same time. It requires any carrier or truck that enters the United States from Canada to submit an electronic manifest beforehand. Fencing around terminal drop yards, security cameras, controlled access into terminals, high security sealing and padlocking of trucks, advance notification of trans-border shipments, personal certification of drivers as low risk and of the company as such as a low-risk carrier, are some of the many other processes that filtered through the entire *Erb* organization in the aftermath of 9/11.

The Canadian counterpart of the U.S. C-TPAT program is the PIP (*Partners in Protection*) initiative, which requires all loads entering Canada from the United States to have high security cable seals on them and for these to be intact upon delivery to the customer. The sealing of loads has become an important part of the transportation supply chain, not only due to cross-border regulations, but also in regards to food safety, as producers, the government, consumers, trucking companies and others, have become increasingly concerned with the threat of food tampering. The government's increased awareness of potential threats to food safety ultimately lead to the creation of the Customs Self-Assessment (CSA) program. When CSA was introduced in 2010, it created an entirely new system of rating carriers and their safety performance. Although not a problem for *Erb* due to their superb safety record, it meant yet another layer of bureaucracy that needed to be followed.

Business Diversification and Venturing into New Markets: South Huron Fuel (2002)

In late 2001, *Imperial Oil* approached *Erb* with the question of whether they were interested in acquiring an agency. At the time, Imperial Oil was experiencing problems with dispatch efficiencies and safety. Since *Erb* was well known in the industry as a highly efficient carrier, Imperial Oil felt that with *Erb's* trucking expertise, they would do well in the fuel and lubricant distribution business. With the spring usually being a slower time of the year for *Erb* (the food industry slows down after Christmas and New Year's), company management saw taking on a fuel agency as an opportunity to offset cyclical lows in their core business. Diversification into a market segment that peaks in the winter months, promised *Erb* an improvement in profitability during their traditionally slower season. After some deliberation, management decided to give it a try and, as a result, the *Erb Group of Companies* started *South Huron Fuels Inc.*, an *Imperial Oil/Esso* petroleum agency out of Sarnia on May 29th, 2002. South Huron



Construction on the new Baden Terminal, 1999.



The new Baden Terminal in May 2000.



Parts of the fleet lined up at the new Baden Terminal.

Fuels delivered bulk fuel (e.g. home-heating oil, diesel and gasoline), sold packaged lubricants (e.g. oils and greases), and operated a diesel fuel card lock in the Sarnia, Strathroy and Goderich areas. In 2003, South Huron Fuels received the *Esso Pioneer Award*.

A year into the agreement, Imperial Oil changed the contract, ultimately removing *Erb's* ability to service fuel oil customers to *Erb's* satisfaction and turning a profit at the same time. As a result, management decided to terminate the company's involvement in the fuel business and, on April 15th, 2005, the agency was taken over by *Pye Brothers Fuels Ltd.* Since then, *Erb* has continued to grow by adding capacities in their core area of expertise, that is in handling temperature-controlled product, e.g. by adding *Erb Cold Storage* and acquiring *K-DAC*.

A New Generation of Terminals: Baden (1999/2000), Montreal (2004/5) and Winnipeg (2009/10)

With growth came the need for improvement of existing terminals and the opening of new, bigger, state-of-the-art terminals that allowed *Erb* to accommodate ever-increasing shipping volumes. In 1999/2000, a new terminal was opened in Baden, followed by a second new terminal in Montreal in 2004/5 and a third one in Winnipeg in 2009/10. The moving of the Group's International division into the new Baden terminal in the fall of 1999/spring of 2000, marked an important change; from that point on, *Erb* has been operating out of two head office locations.

Move into the Baden Terminal

As *Erb Transport* grew over the years and terminals were added in different locations across Ontario, Quebec and the United States, the company's New Hamburg head office and attached terminal were bursting at the seams. By the end of the 1990's, the 4-acre

property, which had appeared so large when *Erb* had first moved there in October 1971, was plagued with parking congestion for equipment and employees' vehicles, as well as lack of office, garage and dock space. Drivers that were scheduled to leave with a load on the weekend had to come to work early because they had to shunt several trailers first to get to the one they needed. When drivers returned on a Saturday night, there was no parking in the yard and they ended up double-and triple-parking the trailers.

In spite of those challenges and the realization that the company had outlived its New Hamburg terminal facility, Vernon was determined to stay in the area. Being a local company and having been part of the community for several decades meant a lot to Vernon and to the *Erb* family. Thus, in the spring of 1997, *Erb* purchased 26 acres of land south of Baden, at Highway 7/8 and Road 51, for future development. Less than 4 kilometers away from the New Hamburg head office location, the acquisition ensured that *Erb* would be able to grow without having to leave the community. After using the new land for trailer parking at first, construction on the new Baden terminal began in April 1999 and was completed in the fall of the same year. In November 1999, the International division, New Hamburg dock staff, and all *Erb Transport* associates involved in operations moved to the new 26-acre-site, which had a large distribution and freezer complex, as well as a wash bay and safety lanes. While *Erb International* and *Erb Transport Ltd.* moved to Baden, most other head office positions, as well as *Erb Expedite* and maintenance staff stayed in New Hamburg.

The new Baden terminal marked a definite turning point for the *Erb Group of Companies*. Whereas in the past *Erb* had bought existing terminal facilities and modified them according to their needs, the Baden terminal was the first large-scale terminal building that *Erb* had designed and built according to their own specifications. Most importantly, the new facility provided plenty of space to accommodate expected long-term growth. Only today, after 12 years of working

very efficiently, the Baden terminal is approaching maximum capacity both in terms of yard and dock space.

Moving a significant part of *Erb's* operations into the new Baden terminal and office meant quite an adjustment for Vernon. Prior to the move, he had always enjoyed the ability to observe the entire local operation and the International group firsthand on his daily morning walk-around-tour through the New Hamburg facility. After the Baden terminal opened, this of course, would now no longer be a daily morning occurrence, as Vernon maintained his office in New Hamburg.

The New Montreal and Winnipeg Terminals

By the early 2000's, *Erb* had outgrown their Montreal terminal in Dorval, and they were in need of a larger facility to serve the Quebec



The Erb Terminal in Vaudreuil-Dorion under construction, 2004.



Erb's state-of-the-art Terminal in Vaudreuil-Dorion.



The Winnipeg Terminal under construction, 2009.



The Winnipeg Terminal completed, 2010.



The Erb Board of Directors in 2004. Front row L to R: Dorene Rudy-Snyder, Wendell Erb, Viola Erb, Vernon Erb, Floyd Gerber. Back row L to R: John Jutzi, Doug Beam, Bruce Jantzi, Tim Zehr, Karen Buhr, Paul Coleman, Ian Tilley, Kevin Cooper, Vic Thiessen.

market. With no room to expand in their current location, *Erb* decided to move. In 2004, based on the positive experience they had had with the Baden terminal, *Erb* built a new Montreal terminal in Vaudreuil, as a joint venture with *Conestoga Cold Storage*. Working with Conestoga Cold Storage in this venture was an excellent experience, because *Erb* benefitted greatly from their expertise in construction and their focus on using building specifications to achieve all their needs.

Being the second large-scale terminal building that *Erb* had designed to the company's own specifications, Vaudreuil was opened in the spring of 2005. In both its size and versatility, the new terminal reflects the ever-widening scope of the business, as well as Wendell and the executive team's dedication to reinvesting money into improving infrastructure and accommodating sustainable growth.

In 2009, *Erb* built their third custom-designed new terminal in Winnipeg. It opened in January 2010, facilitating the company's growing needs in Central and Western Canada.

Building a Senior Leadership Team and Corporate Management Structures

Prior to Wendell becoming GM in 1999 and gradually taking over the company leadership, the *Erb Group* had no real organized structure on its executive team. As the leader of the company, Vernon had surrounded himself with an outstanding team of long-time employees who had made huge contributions to the company, and whom he trusted without reservations. As is typical for an entrepreneur who has built his company from the bottom up, and in spite of the size of the organization, there was no departmental structure or senior management with full departmental responsibility. Wendell Erb remembers: "We did not have a real organized structure in our executive team. Everybody was reporting to my Dad. What I made sure we did was that we had an organized structure so that everybody knew who was reporting to whom and who had what responsibility."



The Erb Executive Team in 2006. L to R: Floyd Gerber, Bruce Jantzi, Wendell Erb, Patty Attwell, Dave Dietrich, John Jutzi, Steve Haus, Vic Thiessen, Kevin Cooper and Tim Zehr.



Erb's Terminal Management Team in 2006. Back Row L to R: Randy Cameron (North Bay), Al McInroy (Trenton), Byron Swartzentruber (Winnipeg), Brian Swanson (Baden), Wilson Milley (Barrie), Jerome Heroux (Ottawa), Garry McDonald (Sault Ste. Marie). Front Row L to R: Gerry Erb (Thunder Bay), Wayne Baechler (Corporate Operations Manager), Tim Zehr (V.P. of Canadian Operations), Scott Jones (Montreal). Missing: The Toronto and Elverson Terminal Managers.



Erb participating in Hurricane Katrina disaster relief efforts in Biloxi, Mississippi.

One component of the gradual restructuring process, as part of the company's transition into the next generation, was a reduction in the number of people who reported directly to the leader of the company: while Vernon had about 20 people reporting to him directly, Wendell reduced the number to 8. Within the new structure, these 8 people formed the company's executive leadership team. Promoted to the rank of Vice Presidents, they became fully responsible for their respective department and for the people and operational processes contained therein. With the exception of Floyd Gerber and Dorene Rudy-Snyder who retired, and Tim Zehr who left the company, there have been very few changes among the executive team. To this day, the executive team meets almost every Tuesday to review operational issues and make decisions together.

Hurricane Katrina (2005)

In the aftermath of the Hurricane Katrina disaster of August 29th, 2005, 10 *Erb* trucks were dispatched to deliver ice to the Gulf zone in order to assist the *Federal Emergency Management Agency (FEMA)* in their organization of disaster relief for the thousands of people

directly affected by the devastating storm and resulting flood. *Erb* drivers Lee Edwards, Chad Egli, Gord Matthews, Alf Meyer, Harvey Munroe, Larry Neal, Cliff Spencer, Murray Stewart, Bob Stewart and Craig Walbourne, took those loads into the disaster area. Their individual experiences varied: some spoke of the generosity and hospitality of local people when realizing that they were truck drivers trying to help alleviate the crisis situation, others were frustrated by the long wait times as a result of FEMA's struggle to coordinate and direct relief efforts, yet all spoke of the terrible devastation they witnessed. Arriving at a variety of points along the Gulf region, these *Erb* drivers found themselves parked at, or near U.S. Air Force bases, or other large-scale parking facilities. Some were sent from town to town, only to be asked to move again. No one expected a simple trip to turn into up to 17 days of waiting in the hot sun.

In September 2005, shortly after Hurricane Katrina, *Erb* received a request from *Crossroads Communications* to handle a donated truckload of cookies from *Voortman Cookies* in Burlington, and take it to Biloxi, Mississippi to be distributed among the victims of Hurricane Katrina. This was not an unusual request as *Erb* participates in a

significant number of trucking donations for charitable organizations. Wendell decided to deliver the relief supplies in person to Mississippi. At a gross weight of over 81,000 pounds the truck was overloaded by 1,000 pounds. Following pre-notification, Wendell set out for the States. Upon arrival at the Ambassador Bridge, he spent several hours at customs, which at first would not allow the donated load of cookies into the country. After paying his toll, Wendell was finally allowed to proceed. The following are his first impressions when reaching the disaster zone: "The damage was evident when I turned south on I-110 into Biloxi. It really looked like a war zone from the movies. I located the site I was heading for, which was a park that had been converted into a Relief Centre. Crammed into the site were several relief agencies, the U.S. Army Reserves and the Air Force. The relief agencies were serving hot meals, and once per day residents could pick up a care package of food, water and toiletries. There was no shortage of volunteers to unload my trailer. It was dark by the time we got done. I thoroughly enjoyed getting out trucking and have a new appreciation for the devastation suffered by the people on the Gulf Coast. Someone said 'Help when you can and pray you never need help in return', which couldn't be more true."

Satellite Equipment and Resulting Changes in Communication

Since the late 1990's and throughout the first decade of the 21st century in particular, the trucking industry has undergone a revolution in technology. Not only have engines increased in size and trucks become much more reliable than in the past, but Satellite and Wi-Fi technology has undeniably changed communications, operations, dispatch, and maintenance across the entire trucking industry.

Back in the days before cell phones and satellite units allowed for instant communications between trucks on the road and dispatch, Vernon insisted on the drivers calling in once a day, usually while they were unloading at their destination before being empty. As satellite

communications became available, *Erb* quickly upgraded their trucks with the new technology. Although purchasing the units and installing them in every *Erb* highway truck was a major investment, Wendell Erb was at the forefront of *Erb's* adoption and integration of these new technologies into the fleet. Consequently, in 2000, *Erb's* Canadian line-haul fleet had the first satellite units installed. Throughout 2003/4, satellite communications were implemented throughout the entire *Erb* network, including the terminals.

Satellite communications between the driver and dispatch marked a new stage in quality service delivery and allowed *Erb* computer programmers to develop new programs to assist both customers and employees. In addition to ensuring instant communications between drivers and dispatch, satellite technology allows *Erb* dispatchers to instantly assign loads to trucks running in a certain area in immediate reaction to customer demands. This ability to instantly communicate return load changes and additions saves the company many empty miles, as dispatchers can assemble return loads in the most flexible manner and in response to last-minute demands by their customers. The entire industry has undoubtedly benefitted tremendously from this technology.

In 2011, *Erb* committed to purchase new MCP200 truck satellite equipment. The MCP200 can use either cellular, satellite or Wi-Fi communications, thus reducing communication charges significantly from the previous satellite-only communications. At the time of writing, MCP200 units have been installed in all new tractors going into service.

A New Generation of Trucks, Reefers and Trailers

While satellite communications and computers revolutionized communications, dispatch and maintenance, the positive impact of larger and better-performing engines is felt by drivers on a daily basis. When in 2004, Vernon and his son Darryl, together with Darryl's



son Tyler, took two LTL loads up to Thunder Bay, Vernon could not believe the powerful performance of the new truck he was driving. Trucking through Northern Ontario and driving through the night in two trucks, Vernon, Darryl and Tyler talked on the CB for the entire time. When they stopped at White River for coffee in the morning, Vernon asked his son: "When are we coming up to Montreal River Hill?" Vernon remembered that when driving up to Thunder Bay in the past he always had to shift the truck back multiple times to make it up that steep incline. By the time the loaded truck had reached the top of that hill it was barely making 5 miles an hour. Montreal River Hill had always been somewhat of an adventure, due to its steepness and the amount of shifting drivers had to do, particularly under snowy conditions. To Vernon's surprise, Darryl answered: "Dad, we are long past Montreal River Hill." Vernon could not believe that he had not even noticed. "What an improvement in trucking technology," he thought, when comparing the Cat and Cummins they were using on that 2004 trip to the equipment Vernon had used during the 1960's and 1970's on his early hauls to Thunder

Bay. Over the years, the *Erb* fleet included various generations of trucks, including COE 4000 diesel cabovers, International Transtars, Fleetstars, International 9400s, Eagle 9900s, ProStars, LoneStars, and several other models.

Although trucks have become much more comfortable, making them a pleasure to drive, the more recent generation of tractors, and the 2008 and 2009 models in particular, have turned out to be not nearly as reliable as the ones available during the early 2000's. *Erb*, similar to other trucking companies that continue to upgrade their fleet on a regular basis, had some challenging years with new equipment, especially in 2009 and 2010. The ever-increasing number of new gadgets on the trucks that have to kick in at different times while the truck is operating, as well as new technology to meet ever more stringent emission control targets have caused trucking companies, including *Erb*, some serious headaches. If one sensor fails, the whole truck shuts down due to the fact that the electronics are all connected through a central computer system.

On two occasions, in 2004 and 2007, engines changed in order to meet new emissions requirements. *Erb's* fleet manager, Steve Haus explains: "The whole dynamic of the engines changed with the Environmental Protection Agency's first run at controlling emissions by burning particulates off on the truck instead of releasing them into the air. And then it changed again in 2007, with new engines to meet even stricter emission control targets. We bought new trucks in 2008 and 2009, and they were breaking down all over North America. And it was never consistent; from a technical perspective, you could never identify the exact problem. Failures were caused by a combination of the engine, the electronics, and the emissions-burning technology. The only guys making money from '09 to '10 were the ones with tow trucks because the only way these trucks were getting to any place was on the back of a wrecker."

Realizing that they were never going to get a handle on how to prevent breakdowns with such a complex combination of various electronics and emissions systems on the truck, Wendell Erb decided to cleanse the fleet of the 2- and 3-year-old trucks they had bought in 2008 and 2009, that were the cause of so much trouble. Never before in *Erb's* history did they have to retire such new equipment from their rotation. Steve Haus elaborates: "We have great mechanics and the ability to keep equipment running. We have some equipment with over 2 million kilometers that runs every day, thanks to our excellent maintenance standards and protocol. But the 2008 and 2009 trucks caused us nothing but headaches. Fortunately, the last ones of them are out the door now." To everyone's relief, the 2010 engines *Erb* is running now have proven much more efficient and reliable, confirming the general trend that, excluding the 2008/09 models, trucks continue to improve with every new generation that makes its appearance on the market.

Similar to truck engines, reefers and refrigerated trailers have evolved along the same lines. Regular updates and the advancement of electronics in particular, allow for a lot of self-diagnostics. The use

of microprocessors has put *Erb* into a position where they can pull information off the units and download it for use in the company's computer systems. In the early 2000's, *Erb* began using multiple-temperature refrigeration units for the first time, enabling them to haul fresh and frozen product in different compartments of the same reefer or trailer. Fleet manager Steve Haus explains: "Multiple-temperature units have introduced a whole new dynamic to the fleet where we can haul different kind of product across long distances with a lot of confidence, knowing that when the truck gets to California, for instance, the product loaded in Toronto will be in perfect shape."

Erb Testing New Equipment for International

Throughout his many years in the industry, Vernon has often favoured International trucks over competitors' models. As a result, *Erb's* fleet included many International models over the years. Today, *Erb* is one of only a handful of trucking companies that have been invited by the *International Truck and Engine Company* to become partners for testing prototypes of new generations of trucks before they are produced for a larger market. As a result, *Erb* does a lot of testing of new units for International. In August of 2005, for instance, *Erb*



Vernon and Wendell in front of the ProStar delivered for field testing, July 2005.



received International's new ProStar prototype tractor for testing under Canadian road and weather conditions. 3 years later, in 2008, International's new LoneStar prototype, the first of 3 field-test units built on the assembly line in Chatham, Ontario, joined the *Erb* fleet for on-road testing as well as to measure the corroding effects of salt, magnesium chloride and other minerals used for de-icing roads during the wintertime. Steve Haus explains *Erb's* special relationship with International: "We've become their northern fleet of testing for some of the equipment they want to bring to the market. Working with International during the testing stage affords us a bit of an edge on the competition because it gives us an idea of what the next generation of trucks is going to look like and how the new equipment is supposed to work."

Servicing Western Canada

In the mid-2000's, *Erb* started doing business in Western Canada, both on the full truckload and the LTL side. As with any other expansion of service into a new area, the decision to go into Western Canada was made in response to a customer's specific need. J.M. Schneider's was selling Michellina's frozen dinners which were produced in the United States, in Canada. *Erb's* International division hauled the product from Ohio to Kitchener, and into Mississauga. From there, it was delivered in LTL-sized orders to J.M. Schneider's customers throughout Canada. When J.M. Schneider's requested that *Erb* consider taking over the entire distribution for that particular product line, *Erb* developed a new lane for them. After giving the loads for Western Canada to a carrier in Winnipeg at first, *Erb* began going into Western Canada themselves. Today, *Erb* is running between 12 and 15 LTL truckloads a week to Western Canada. K-DAC, a carrier that joined the *Erb Group of Companies* in 2009, hauls another 10 to 15 loads to Western Canada each week.

At the present time, *Erb's* corporate operations manager Wayne Baechler is developing Western Canada from the sales side. For the



Vernon takes a closer look at the new ProStar prototype in August 2005.



The 2008 LoneStar prototype parked next to a KB 8 antique.



Chad Egli's truck in the sunset in Winnipeg (picture taken by Maury Altomare).



Erb truck leaving the Baden yard.

last year-and-a-half, about every six months he goes out to Calgary, Regina, Edmonton and Vancouver, and about every two weeks he visits Winnipeg to call on accounts and help growing *Erb's* business in Western Canada.

Erb International

Between 1999, when Bruce Jantzi took over the U.S. division from Wendell Erb, who had moved on to become GM, and 2005, *Erb's* international business grew 10 to 15% each year. In 2001, *Erb's* U.S. fleet traveled 24.5 million miles, and in October of the same year total truckloads and LTL loads bound for U.S. destinations from Canada hit the 425 loads per week mark. In 2004, *Erb International* further benefitted from changes in the market: increased insurance premiums pushed marginal carriers, and many of those with a poor safety record that were generally competing by charging low freight rates, out of the market. At the same time, a growing U.S. economy resulted in higher demand for transportation services in the U.S., meaning that less American carriers were coming to Canada. With a lot of that new business coming *Erb's* way, the company had to decline or postpone taking on new lanes and new customers for the international market. While freight rates and service levels remained important factors in a shipper's decision on choosing a particular carrier, availability of resources (drivers, tractors, and trailers) became the main feature in distinguishing successful carriers in the international marketplace. In August of 2004, *Erb International* went from between 320 and 360 loads to 420 loads to the States per week, as a result of the capacity issues described above. 2004, *Erb's* 45th anniversary year, turned out to be the most successful in the company's history up until then, and gain-sharing was paid at the 3rd level for the very first time. During some weeks in 2004, *Erb International* had to decline a significant amount of freight because they were running at full capacity. In 2005, *Erb International* was delivering between 900,000 and 1.1 million pounds of LTL food product every week across the United States. Acquiring *Mitchell's*



U.S. dispatch – Dana Feukes.



U.S. dispatch – Greg Roth.

Gourmet Foods, a division of J.M. Schneider's/Maple Leaf Foods in Saskatoon, Saskatchewan, as a customer that same year was an important step in *Erb's* International division building a solid customer base in Western Canada. In 2006, *Erb International* saw some exceptional growth in their Western Canada business, hauling approximately 350 loads for General Mills from Tecumseh to Winnipeg alone. *Erb's* new Winnipeg terminal played an important role in accommodating these significant volume increases.

A Perfect Storm: The Collapse of the U.S. Economy in 2008 and its Impact on Erb

In the fall of 2007, David Bradley, the CEO of the *Canadian Trucking Alliance* and President of the *Ontario Trucking Alliance* described the state of the trucking industry at the time as "The Trucking Industry's perfect storm," and predicted more trouble for 2008:

"Today, many, if not most, truckload carriers are feeling the effects of a new perfect storm... Soft volumes, combined at least in part with cheap credit for equipment and a pre-2007 truck buying binge, have created a situation where there are too many trucks chasing too little freight, and many carriers are seeking revenues/volumes if only to keep trucks on the road and drivers working. Rates are at



Tunnels across Highway 70 from Denver (picture taken by Bob Stewart).



Terry Richards with his truck at Ghost Rock, Devils Canyon in Utah.



Erb truck in the Utah Mountains (picture taken by Colleen Allchurch).



Alfy Meyer at Black Dragon Canyon, Utah (picture taken by Alfy Meyer).

best stagnant and, in many cases, have been discounted sometimes to levels not seen in a decade. Margins are being squeezed. Southbound freight, in particular, has been hit hard. Under-capacity has been replaced by over-capacity. Trucks have been shifted from trans-border routes to already congested domestic corridors like Toronto-Montreal.” (David Bradley, reprinted in *Erb Report*, Fall 2007 Volume 21 Issue 2, pp. 1, 5).

David Bradley's assessment was right on for both the situation in 2007 and the economic downturn in the U.S. that followed in 2008/9, hitting both manufacturers and trucking companies relying on their product, alike.

There were a number of reasons for the challenges the trucking industry was facing from 2007 on. Many Canadian manufacturers had not been producing for the U.S. market based on the actual costs of manufacturing the commodity, but rather, on the preferential dollar exchange rate. Lower market prices in the States were offset

by the U.S. dollar's higher value in relation to the Canadian dollar. As long as the Canadian dollar remained significantly below the value of its U.S. counterpart, this system worked very well for Canadian manufacturers. However, when the Canadian dollar reached par with the U.S. greenback, as the U.S. experienced one of its most devastating economic downturns in history, the new exchange rate hurt the competitiveness of Canadian manufacturers. As a result, many export-oriented companies were forced to shut down, resulting in a reduction of exports and reduced freight volume into the United States. The situation was exacerbated when the economic downturn in the U.S. began affecting consumers and manufacturers south of the border as well, resulting in even less demand for goods manufactured in Canada.

As manufacturers saw their profits reduced, some of them started looking for cheaper carrier alternatives. This resulted in an increased amount of pressure on the entire trucking industry to reduce rates. Furthermore, many trucking companies had bought more new power units than usual in 2006, in order to avoid having to buy 2007 EPA-compliant engines. This had created overcapacities in the industry which could only be offset by economic growth and corresponding increases in freight volume. When during the economic downturn of 2008/9 a record high number of power units in the Canadian trucking industry was met by an all-time low in demand for Canadian-manufactured products in the United States, this created the “perfect storm” for a significant reduction in freight shipments to the U.S., affecting each and every Canadian cross-border carrier. In addition, record high fuel prices presented further complications in an already tumultuous situation.

Knowing that many trucking companies had an extensive amount of surplus equipment and were desperate to keep their trucks on the road, shippers increasingly resorted to RFP's (request for proposal/pricing) as a way of driving shipping costs down even further. Whereas in the past, carriers had set their prices on activity-based costing

(the price reflected the actual costs for picking up the freight, cross-docking, loading and delivering it to its destination), they were now forced to change their pricing practices in the midst of the recession. When issuing a company's request for pricing, the shipper lists all its lanes and makes an open call to the trucking industry to submit bids for the business. Since RFP's are done through a bidding process, they enable the requesting company to compare rate offers from different suppliers, thus making the RFP process highly competitive. During the recession, many carriers were willing to take smaller profit margins or no margins at all, eventually forcing many of them out of business, because working at such low rates was not sustainable long-term. Although there had been a certain number of RFP's prior to the economic downturn as well, this practice has increased significantly since 2008.

For *Erb*, the economic downturn that set in in 2007 and peaked in 2010, meant that while in 2004/5, they had been at the top of their capacity with so many loads to the U.S. that they had to turn down business because they did not have enough drivers, in 2007, they were challenged to find enough loads into the U.S. to match their backhauls into Canada. At the height of the recession in 2009, *Erb's* shipping volume into the U.S. was down to 120 to 150 loads a week on the truckload side, and as low as 500,000 pounds a week in LTL shipments. Whereas the drop in full truckload shipments was instant, the loss of business on the LTL side was more gradual, yet no less dramatic in the end.

However, in spite of losing much of their cross-border volume, *Erb* was able to balance out most of the lost shipments into the U.S. through increased demand for transportation services to Western Canada. *Erb International* became responsible for looking after all loads destined for Thunder Bay and Winnipeg, and began delivering as far west as Calgary, Edmonton, and Vancouver. After dropping their loads in Western Canada, *Erb* drivers went south into the U.S., picked up freight there and hauled it back to Canada.

Another major advantage for *Erb* was acquiring Walmart as a customer right at the beginning of the recession. Wendell remembers: “The timing with Walmart was impeccable because it was just about the time when the recession hit that we started acquiring a lot of their business.” Increased volumes in their Canadian operations at the same time that demand for cross-border shipments reached an all-time low, allowed *Erb* to use many of their international drivers on lanes within Canada.

Being a carrier that specializes in frozen and refrigerated food products definitely helped *Erb* through this challenging time, as even in times of economic crisis people have to eat. In the fall of 2007, Wendell Erb commented: “All things considered, we should not complain, it could be worse. The *Erb Group* is diversified in many regions of the country, with many types of service, which a lot of other carriers are not. We are also carrying food, a necessity, no matter what the economy looks like [...]. Yes, the trucking industry is having challenges, but the sky isn't falling.”

Furthermore, *Erb International* had a solid base of long-time customers, including many leaders in the grocery and food-processing industry, such as Maple Leaf Foods, *Mars Canada*, Hershey's, Proctor & Gamble (Sundor Brands Inc.) *Lamb Weston*, Fiera Foods, Rich Products, the Campbell Soup Company, Piller's (Piller Sausages and Delicatessens Ltd.) and *Nestlé*. The fact that many of their long-time customers continued to rely on *Erb's* high level of service in spite of growing market pressures definitely had a softening effect on the negative impact of the crisis at the *Erb Group*. Although *Erb* felt the pressure to reduce rates as well, they were very cautious to maintain profitability and attract additional business through exceptional service rather than underbidding carriers that were willing to operate at the lowest levels of sustainability. However, even with that philosophy, *Erb* had to discount many lanes in order to regain work that they had lost to cheaper competitors, or in some cases, to gain new work.



First LCV trip from Cornwall by Radford Radke.

In spite of losing a significant amount of volume, *Erb* was eventually able to gain back many of those customers that had left for cheaper carriers. These shippers' decision to return to *Erb* was prompted by the realization that they could not get the same level of service and commitment that they were accustomed to from *Erb* from carriers that were operating at ultimately unsustainable rates. John Jutzi explains: "What we've seen is that shippers will go with the less expensive carrier that promises them the world, but when at the end of the day the world isn't delivered, they come back to us. So [while] we did lose business during the recession, we have regained it based on our outstanding service record."

In addition, *Erb's* diversity as a national and international carrier afforded them the ability to balance out reduced volume in cross-border shipments across the entire organization. In the spring of 2008, Wendell emphasized the benefits of diversity: "I have a new

appreciation for our diversification. While virtually everything we haul is temperature-controlled, our diversification allows us to keep our drivers busy when opportunity presents itself. This winter/spring was a great example when we were able to send trucks to Western Canada while the rail service was restricted."

Record-high oil prices were offset by *Erb's* fair surcharge program which allows the company to recover higher costs related to fuel from their customers. All these factors combined were instrumental in affording the *Erb Group* to get through the 2008-10 economic crisis relatively unscathed.

Following decreased volumes in cross-border shipments in 2009 and 2010, the U.S. economy went into recovery mode. This was reflected in significantly increased cross-border shipping volumes in 2011. 2011 was a busy year for *Erb International*, with southbound truckload volume to the U.S. being up approximately 20 to 30% over 2010. Most weeks, *Erb International* handled 800,000 to 900,000 pounds of LTL shipments southbound. In the first week of November 2011, *Erb International* had 59 LTL loads with 1.3 million pounds of product to the U.S., one of the heaviest weeks of LTL shipments in the history of the company, and another clear sign that the U.S. economy had transitioned into recovery mode. Today, *Erb's* shipping volume into the United States is exceeding pre-2008 levels again. In fact, volume on cross-border shipments is higher today than it has ever been in the company's long history.

Looking back, *Erb's* V.P. Sales, John Jutzi, reflects: "The downturn of the economy in 2008 was pivotal for us because of the long-term ramifications it had. In spite of the challenges it caused, it was good in terms of reinforcing our focus on change and on always learning how to be more adaptable to changing conditions. One of the constants we have in our industry is change. The economic downturn of 2008 encouraged us to stay the course and embrace change, even more so than in the past, to become better at everything we do."

One of the key long-term effects of the recession is that it has caused a lasting change in the U.S. - Canada trade direction. Prior to 2008, the dollar exchange rate allowed Canadian companies to export more into the U.S. than they imported. For *Erb*, this meant that the headhaul was from Canada into the U.S. and the backhaul was from the U.S. into Canada. Consequently, in order to balance return loads, *Erb* solicited U.S. freight, mainly through Canadian companies, as a large number of Canadian companies buy FOB Origin and thus, pay for the freight coming into Canada. Today, that trade direction is reversed. While freight coming in from the States has increased significantly, the freight volume going South from Canada has not kept pace. As a result, today the headhaul at *Erb's* is from the U.S. into Canada, while the backhaul is from Canada to the States.

Becoming a Carrier for Walmart (2008/9)

As mentioned previously, *Erb* became a carrier for Walmart in December 2008/January 2009, right at the beginning of the recession. Acquiring Walmart's business at that particular juncture was a major contributor to *Erb's* ability to withstand the economic downturn relatively unscathed.

As Walmart was expanding its presence in Canada, the company was looking for carriers. Trucking companies that met Walmart's minimum requirements were invited to a meeting where they were presented with two large binders that laid out available lanes, regulations, and Walmart's expectations in regard to the service to be provided by their carrier. As Wendell went through these binders, he was confident that the *Erb Group* could meet Walmart's high expectations. As a result, *Erb* submitted bids and after 3 rounds of bidding they had become a Walmart carrier. Since then, the Walmart division has been growing steadily. Today, about 50 tractors and 100 trailers are exclusively hauling for Walmart out of *Erb's* Mississauga terminal.

In 2011, parts of the *Erb Group's* Vaudreuil terminal in Montreal became a Walmart "Flow Centre," where freight from Walmart vendors is sorted, staged and loaded onto outbound trucks for distribution to Walmart stores in Quebec. As Walmart is currently expanding its store network in the Province of Quebec, the Vaudreuil terminal's capacity allows *Erb* to grow alongside Walmart.

Acquisition of K-DAC (2009)

In 2009, K-DAC, a local expedite company out of Baden, founded and operated by Bruce Schumm, that was specializing in small emergency freight delivered on short notice with small pickup trucks and vans, joined the *Erb Group of Companies*. A farmer during the summer and part-time truck driver during the winter months, Bruce had been a part-time driver for *Erb* before starting his own company. In the early 1990's, while driving part-time for *FAG Bearing* in Stratford, Bruce often delivered only one skid on his tractor-trailer, just to keep a manufacturing line from being forced to shut down. Realizing that these small emergency deliveries could be made more efficiently and at much lower costs through expedite services using vans, he suggested to *FAG Bearing* that he could provide that kind of service to them. When given the contract, he took the passenger seats out of his minivan and began delivering bearings to Flint, Michigan. This marked the beginning of K-DAC, named after the initials of the Schumms' four children. Similar to Vernon, Bruce built his company from nothing. The expedite business was new back when he started, and Bruce Schumm was able to grow a highly successful business, as many customers needed exactly the kind of service K-DAC was offering.

The connection between the Erbs and Bruce Schumm goes a long way back. In the early 1980's, Bruce was Wendell's fastball coach on the Steinmann's Church team. As a farmer with a 100-acre farm near New Hamburg and as a part-time driver at *Erb's*, Bruce was known by Vernon for many years as well. Bruce remembers his time as a part-time driver for *Erb* before starting K-DAC: "When I worked as a driver



for *Erb*, I remember rolling trailer 6-635 in front of the GM dealership in New Hamburg on one very cold Sunday morning in February (the new fifth wheel unhooked when I went around the corner). Vernon skipped church that morning to come and see the situation and he thoughtfully brought coffee and donuts to the scene for us. I felt so bad about his truck that I told him I wanted him to let me buy the coffee and donuts. 'How much were they?' I asked. Vernon never missed a beat with his reply: 'About a thousand dollars' he said."

K-DAC grew and their fleet soon included tractor-trailers and reefers. As K-DAC was getting into bigger trucks including refrigerated units, the company started to compete directly with *Erb* for some of their major customers. *Erb's* Brokerage department was growing at the same time and K-DAC became a frequent carrier-partner for *Erb*. Wendell Erb remembers: "We have always held the philosophy that it is better to work with our competition than against them, and K-DAC has always been a friendly competitor." Bruce confirms: "Given my past experience and relationship with *Erb*, it seemed natural to work alongside them."

In 2008, a year before *Erb* purchased K-DAC, Bruce approached Vernon with the proposal to sell his business to the *Erb Group*. By that time, things had slowed down quite a bit for *Erb* due to the economic downturn in the U.S. When looking at the opportunity more seriously, Vernon, Wendell and the leadership team felt that K-DAC would be an excellent addition to the Group, and decided to purchase the company. Bruce, his sales manager Larry Leis, and some other management people from K-DAC came to work for *Erb* in management; K-DAC drivers stayed on as well. The company kept its name and continues to operate as a separate business under the umbrella of the *Erb Group of Companies*. The acquisition of K-DAC brought on about 125 additional employees, about 80 power units, as well as over 120 trailers.

Erb Turns "50" (2009)

When the *Erb Group* celebrated its 50th anniversary in 2009, the organization had grown to over 1,200 employees and owner operators. The fleet consisted of more than 700 trucks and over 900 trailers operating out of a network of 10 terminals and 3 sub-terminals in Ontario, Quebec, Manitoba and Pennsylvania. In spite of the economically-challenging times, it was a great occasion to celebrate and reflect on having been a part of the North American trucking industry for half a century.



Celebrating Erb's 50th anniversary in 2009 at the Baden Terminal.



Erb's 50th anniversary trailer on the road during the 2010 Manitoba Law Enforcement Torch Run Truck Convoy.



Erb's 45th anniversary trailer, 2004.



Erb staff celebrating the company's 45th anniversary in 2004.



The Erb Group of Companies

CHAPTER 7



Erb's terminal management team in 2010. Back row L to R: Jerome Heroux (Ottawa), Tim Brubacher (Winnipeg), Al McInroy (Trenton), Wilson Milley (Barrie), Bob MacLauchlan (Baden). Front Row: Gerry Erb (Thunder Bay), Brian Swanson (Toronto), Randy Cameron (North Bay), Scott Jones (Montreal).



The Montreal and Ottawa terminal facing each other in Canada's game.

Today, with over 1,300 employees and 1,900 pieces of equipment, the *Erb Group of Companies* ranks # 22 among Canada's largest carriers based on equipment numbers. Consisting of *Erb Transport Limited, Erb International Inc., Erb Cold Storage, Erb Transportation Solutions, Erb Brokerage, Erb Transport Inc.* and *K-DAC*, the Group maintains a terminal network of 10 terminals and 3 sub-terminals in Ontario, Quebec and Pennsylvania. Led by Wendell Erb and an experienced executive team and a Board of Directors, the *Erb Group* is recognized as an industry leader that provides over 1,800 companies with transportation services for the delivery of time- and temperature-sensitive products to over 24,000 consignees, throughout most of Canada and all 48 continental states of the U.S.

Erb's Network of Terminals

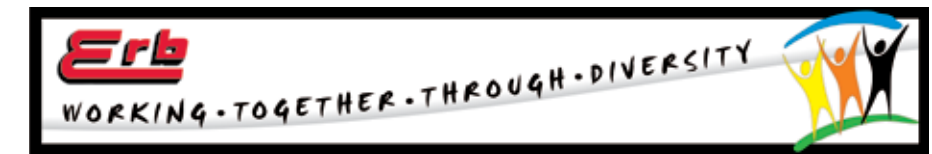
From their home base in New Hamburg that opened in 1971, *Erb* rented, bought or built terminals in various strategic locations over time. With the exception of the Ottawa terminal, which came through the acquisition of Laurier Transport, new terminals were added in response to *Erb* customers requiring additional service in certain areas. Due to *Erb's* focus on LTL and DSD shipments for direct distribution, terminals in different areas became a necessity as the company continued to expand its territorial reach. Consequently, the goal of serving *Erb* customers with small LTL deliveries was the start of many of the Group's outlying terminals. Today, *Erb* has terminals in Baden, Barrie, Elverson (Pennsylvania), Montreal, North Bay, Ottawa, Thunder Bay, Toronto, Trenton, and Winnipeg plus 3 sub-terminals in facilities located in Quebec City, Sault Ste. Marie, and Leamington/Windsor.

Following a strategy of natural and gradual growth, the outlying terminals share similar stories: they began as a result of the Erbs listening to their customers' needs and their subsequent decision to dedicate one experienced driver with local ties and one truck permanently to a certain area. Once it became clear that there would

be enough customer demand to support a more permanent presence, *Erb* rented or had a small terminal building built for them. As volume increased, terminal buildings were expanded, or in locations where there was no room to keep growing in the established facility, *Erb* would build and move into a new building. In following this strategy of natural growth, the *Erb Group* has developed a network of terminals that allows them to serve their customers from coast to coast as well as throughout the United States.

With the exception of the terminals in New Hamburg (1971); Toronto (1971); as well as Baden, Winnipeg, and Quebec City (2000's); most of *Erb's* original terminals were established throughout the 1980's and early 1990's when the company underwent its fastest growth: Thunder Bay (1981); Montreal (1985); Elverson, Pennsylvania (1985); North Bay (1986); Kemptville and Ottawa (1986); Belleville/Trenton (1988); Barrie (1990); and Sault Ste. Marie Terminal (1991). Establishing terminals in various locations was important in facilitating the company's ability to pick up product at their customers' plants, carry it over the highways, drop it at their own terminal location and then distribute it locally. Due to *Erb's* role as a local employer, the terminals are deeply rooted in their respective community.

The *Erb Group's* extensive terminal network provides a great opportunity to embrace diversity. In 2010/11, *Erb* set up a banner in each terminal that states, "Working together through diversity." Underneath the banner, flags identify the countries of origins of the employees in each terminal. As part of that initiative, *Erb* asked their employees for their country of origin and employees' voluntary responses revealed the great diversity of the *Erb* community. The Toronto terminal, for instance, provides employment to associates of



Embracing Diversity

32 different origins, attesting to the multi-cultural character of the *Erb Group* today.

New Hamburg and Baden Terminal

From the time *Erb* relocated from Wellesley to New Hamburg in 1971 until the opening of a new state-of-the-art Baden terminal in 1999/2000, *Erb's* New Hamburg facility on 290 Hamilton Road served both as head office and terminal location. When the new custom-designed Baden terminal on 1473 Gingerich Road was completed, all of *Erb's* New Hamburg's operations, with the exception of the main shop, which continues to do maintenance work out of New Hamburg, moved into the new terminal. With all operations and cross-docking now being done in Baden, *Erb* has rented out its New Hamburg dock while continuing to use the New Hamburg yard for parking trucks and trailers that are being repaired or are out of service.

With 21 loading docks, a large storage freezer, the entire dock area under refrigeration, a new modern wash bay and safety lane, as well as ample office space, the Baden terminal not only took a lot of pressure of *Erb's* nearby New Hamburg terminal and head office facility, which was bursting at the seams, but it also served as a model for later additions to the *Erb* terminal network. Although New Hamburg has remained the *Erb Group's* official head office location, parts of the administration and executive moved into the Baden facility as well. *Erb* president and CEO Wendell Erb, Senior V.P. of International Operations Bruce Jantzi, as well as Senior V.P. of Canadian Operations and Finance Kevin Cooper have their offices in Baden. Today, the Baden terminal accommodates Canadian operations, *Erb International, Erb Cold Storage, as well as Erb Transportation Solutions.*

Prior to Alvin (Al) Shultz becoming New Hamburg's first terminal manager in 1992, *Erb's* New Hamburg terminal did not have a terminal manager. In the beginning, Vernon personally looked after



New Hamburg head office building.

New Hamburg operations. When his many responsibilities as the president of a growing company required him to visit with customers and prospects, thus limiting his ability to oversee all aspects of operations at the New Hamburg terminal, Mel Gerber took on the role of the company's first full-time dispatcher. In that capacity, he looked after day-to-day operations, the drivers, the phone and daily dispatch. When Mel left the company, Wayne Baechler and Ernie Fink took over dispatch, as well as filling many other roles in operations. Throughout the second half of the 1970's and throughout the 1980's in particular, traffic manager Richard Roth took on a leading role in managing operations in New Hamburg, until leaving the company in 1988.

When it became apparent that someone needed to take responsibility for the terminal in New Hamburg full-time, Alvin (Al) Shultz was appointed to the position of first terminal manager effective April 27, 1992. Alvin had joined *Erb* as a driver in 1980, and had held various positions in dispatch, including setting up loads, manifesting, working in the rate department and eventually becoming assistant manager of pricing. A "people person," he was the right fit for managing operations in New Hamburg. After Alvin left, Tim Zehr became the new New Hamburg terminal manager in March of 1995. Tim had previously worked at *Erb* on the dock, in dispatch and in the pallet



Aerial view of the Baden Terminal.

department. He assumed the position of terminal manager upon his return to *Erb* after 6 years of operating his own refrigerated transportation and distribution company called *Arctic Star*.

When Tim Zehr was promoted to the position of Director of Canadian Sales and Pricing to eventually become V.P. of Operations, Jerry Baan took over as terminal manager in New Hamburg. Prior to this appointment, Jerry had served in various roles, including U.S. dispatcher. From his position as New Hamburg terminal manager, Jerry Baan eventually became the first terminal manager of *Erb's* new Baden terminal (Fall 1999/Spring 2000). When, in July 2003, he moved on to become manager of *Erb's* Cold Storage operations in Baden, succeeding Darryl Erb in that capacity, Brian Swanson became his successor as Baden terminal manager. Today, Brian manages *Erb's* Toronto terminal. When Brian Swanson left to take on his new responsibilities in Toronto, Bob MacLauchlan took over the position of Baden terminal manager and has maintained that position to this very day. In his role as corporate safety, accident investigation and New Hamburg facility manager, Tom Broda keeps looking after the New Hamburg facility.

Not surprisingly, considering that New Hamburg is where the *Erb* success story began, there are many long-term employees working

out of *Erb's* New Hamburg and nearby Baden locations, be it as drivers, in the office, on the dock or in the yard.

Members of the *Erb* community for 20 or more years in the New Hamburg/Baden offices are Executive Secretary **Lois Broda** (39), V. P. Sales **John Jutzi** (39), Corporate Fleet Manager **Steve Haus** (38), Refrigeration Specialist **Paul Ziegler** (36), Manager of Erb Cold Storage **Jerry Baan** (36), Corporate Credit Manager **Cynthia Shantz** (35), Corporate Payroll Supervisor **Gail Musselman** (34), ETSI Manager **Wayne Stock** (34), Baden Router/Dispatcher **Andy Koopman** (34), *Erb Group* President **Wendell Erb** (32), Senior V.P. International Operations **Bruce Jantzi** (32), Manager of Pricing **Roger Nafziger** (32), V.P. Information Technology **Victor Thiessen** (31), Credit Assistant **Brenda Underwood** (28), Corporate Human Resources Supervisor **Marg Matthews** (28), Corporate Driver Trainer/Auditor **Radford Radke** (28), O.S.&D. Coordinator **Doug Brickman** (28), C.O.D. Coordinator **Doris Baeringer** (28), Baden Corporate Facilities Manager **Kevin Shantz** (28), U.S. Logistics Manager **Greg Roth** (27), Senior V.P. Canadian Operations and Finance **Kevin Cooper** (27), Senior Credit Advisor **Pam Erb-Morden** (27), Corporate Safety, Accident Investigation and New Hamburg Facility Manager **Tom Broda** (26), U.S. Manager, Pricing and Administration **Sherry Morrison-Rolleman** (26), U.S. Operations Manager **Kevin Erb** (26), Traffic Supervisor E.T.S.I. **Bridget Steinmann** (26), Computer Programmer **Diane Heyer** (26), Accounts Receivable Supervisor **Sharon Kienapple** (26), Assistant Driver Supervisor **Paula Powers** (25), Document Control Clerk **Gloria Russel** (25), Credit Advisor **Wendy Lose** (24), Accounts Payable Supervisor **Vivian Bender** (24), Pricing Clerk **Gwen Yantzi** (24), Pricing Clerk **Jane Fewkes** (24), Credit Advisor **Joanne McDonald** (23), Corporate Controller **Irene Holdbrook** (20), Computer Programmer **Brenda Penner** (20), as well as Pricing Clerk **Kathleen Schuitema** (20).

Long-time associates working out of the New Hamburg/Baden dispatch office are U.S. Dispatcher **Nathan Roth** (24), Dispatcher



Baden Terminal.



Working in the Baden yard.



Warren Erb and Ken Schmidt working at the new Baden dock, November 1999.

Jack Coxon (24), and U.S. Traffic Supervisor **Chris Jantzi** (20). Long-time associates working in various capacities at the dock and in the yard are **Robert Hart** (40), **Glen Roth** (39), **Lloyd Snyder** (36), **Kenneth Schmidt** (32), Yard Foreman **David Bleay** (32), **Kevin McDonald** (32, inactive), **Warren Erb** (30), **Toua Vang** (29), **Mark Schumm** (28), **Jay Schultz** (28), Dock Foreman **Fred Bender** (27), Yard Supervisor **Ronald Heinbuch** (26), **Kip Ramseyer** (25), **Darryl Schumm** (25), **James Brown** (24), **Paul Jacklin** (24), **Stephen Gerber** (22), and **Gordon Kerr** (20). Cold Storage Worker **Kevin Albrecht** has been with Erb for 27 years.

Among the New Hamburg/Baden mechanics, there are many long-time *Erb* associates as well, including New Hamburg Reefer Shop Supervisor **Keith Hartung** (32), Trailer Mechanic **Merton Kuepfer** (29), Shop/Driver **Don Albrecht** (29), Shop Foreman **John Ward** (29), Trailer Mechanic **Cam Mueller** (28), Refrigeration Mechanic **David Schultz** (26), Trailer Mechanic **Robert Roth** (26), Truck Mechanic **Paul Pugh** (20, inactive), as well Tires and Warranty Mechanic **David Weber** (20). When **Glen Guthrie** retired in February 2011, he had served as New Hamburg Shop Supervisor for 25 years. Parts department associate **Gaetan Raymond** has been with *Erb* for 24 years.

Baden drivers who have been driving for Erb for 20 or more years are: **Clare Wettlaufer** (41, inactive), **Orval Steinman** (39), **Richard Zawadzki** (37), **Peter Trachsel** (37), **Sterling MacDonald** (37), **Roger Zehr** (36), **Robert Lichti** (35), **Larry Wettlaufer** (35), **Howard Lebold** (35), **Bill Koebel** (34), **John Eidt** (33), **Dale Moeser** (32), **Dan Matthews** (32), **Kevin Steinacker** (31), **Wayne Bast** (31), **Paul Debus** (31, inactive), **Glenn Shantz** (29), **Bruce Weber** (29), **Rodney Erickson** (29), **Bruce Swartzentruber** (28), **John Schuitema** (28), **Urias Bowman** (28), **Stewart Jutzi** (28), **Paul Musselman** (28), **Rick Roes** (28), **Michael Wirth** (28), **Donald Yutzi** (27), **John Wagner** (27), **Myron Wagler** (26), **Lyle Rozendal** (26), **Murray Stewart** (26), **Douglas Reis** (26, inactive), **Daniel Fisher** (25), **Dale**

Haves (25), **Dale Howe** (25), **Doug Moeser** (24), **Randie Hopkins** (24), **Nick Gerber** (24), **Gary Zehr** (24) **David Carter** (24), **Eldon Shelley** (24), **Neil Whitwell** (23), **Ivan Wolfe** (23), **Larry Pridham** (23), **Adam Gerber** (20) and **Tony Krekel** (20, inactive).

Long-term owner operators out of Baden are **Randie Pautler** (38), **Orie Gerber** (34), **Albert Burgers** (33), **Jeff Steinmann** (30), **Harold Geerlinks** (29), **Carl Jantzi** (28), **Brad Mogk** (26), **Bernie Rolleman** (25), **David Holst** (22), **Heinz Koehler** (20) and **Jeffrey Shantz** (20).

Toronto Terminal

The history of the *Erb Group's* Toronto terminal goes back to 1971. That year, *Erb* began renting a dock, warehouse and parking space at *Bridgeland Terminals* on Bridgeland Street. Since opening that first facility, *Erb's* Toronto terminal has moved three times to accommodate continuous volume increases; over the years, the Toronto terminal, due to its key location, has grown into the hub of the entire operation. In early 1977, *Erb* moved from the original Bridgeland Street location into their second Toronto terminal at Dixie and Britannia Road. That rented facility was part of a huge trucking terminal owned by *Laidlaw Transport*. When throughout the 1980's, an ever-increasing amount of freight moved through the Toronto terminal, access to a larger facility became imperative. As a result, in 1983, *Erb* moved into their significantly bigger third Toronto terminal, which was built for them just off of Matheson Boulevard on General Road, south of Highway 401. When Vernon visited the new leased facility for the very first time, he felt that the large-size building would accommodate *Erb's* needs in Toronto for many years to come. Much to his surprise, they quickly outgrew it as well.

The main challenge with the General Road location was that the terminal was landlocked with no space to expand as operations continued to grow. In order to accommodate volume increases nevertheless, *Erb* rented a drop yard on Matheson Boulevard where they dropped loaded



Some of the Toronto Terminal's office team in 2008 with Corporate Operations Manager Wayne Baechler.

trailers. Although this provided some much-needed relief, it was not an ideal situation, because there was no security at the drop yard in the beginning. Following several break-ins into their trailers, *Erb* had the area fenced in. By the mid-1980's, the terminal on General Road had reached its maximum capacity; and in December of 1988, *Erb's* Toronto operations moved once again into the *Erb Group's* current terminal facility on 1889 Britannia Rd. E, in Mississauga.

With most of the major warehouses and food processors being within a 15-mile radius of the *Erb Group's* Mississauga terminal, and upwards of a million pounds of freight crossing that dock every night, having a terminal in Toronto has been imperative for *Erb* over the years. Moving the terminal into its present strategic location on Britannia Road was a key milestone, as it reinforced Toronto's role as the hub of the entire operation.

Murray Scott, who had joined *Erb* in 1975, and his wife Audrey, who had joined him full-time in 1980, were instrumental in building



Some of the Toronto Terminal's dock staff in 2008.

the terminal up and managing it for many years in their capacity as terminal manager and assistant terminal manager. The late Wayne Steinmann, *Erb's* New Hamburg and corporate dock foreman, played an important role in getting the Toronto dock organized at first. For quite some time, Wayne ran both the Toronto and the New Hamburg dock, going back and forth between the two locations.

Over the years, *Erb's* Toronto terminal has been led by a number of terminal managers, including Murray and Audrey Scott, Keith Dickin, Larry Cormier, Jim Bowman, Terry Woody, Jim Miller, Wayne Baechler and Gerry Erb as a team, Sheila Kirtz, Andrew Weidner, and Wayne Baechler. In 2008, the Toronto terminal underwent some organizational restructuring under Wayne Baechler's leadership as terminal manager. That year Brian Swanson, *Erb's* Baden terminal manager at the time, took over as Toronto terminal manager, splitting his time between Toronto and Baden at first, before assuming the Toronto terminal manager position full-time. He continues in that capacity today.

With 32 years of service, **John Sibbins** is *Erb's* longest-serving driver there, followed by **Mike Karl** (27), **Chet Maszkowski** (24), **Mark Mountain** (23), and **David Downing** (20). The longest-serving owner operators/brokers are **Bill Smith** (28), **John Tynkkynen** (28), **Jim Leyser** (25), **Raymond MacNeil** (20) and **Glenn Otto** (20). In 2012, senior load planner **Barry Currah** celebrated 40 years at *Erb's*. When he came off the road after many years of driving, he had so much knowledge that his new role of senior load planner in the Toronto terminal was a perfect fit for him. Having Barry in the office is a great asset because there is hardly any place that he has not delivered to during his many years as a driver.

Toronto driver supervisor **Ross MacDonald** has been with *Erb* for 39 years. When Toronto regional division manager **John Verkuyl** left in August 2012 to start his own trucking company for hauling corn, he had served with *Erb* for 33 years. In addition to operating his own business, he continues as a part-time driver out of Trenton. Other Toronto associates who have been with *Erb* for 20 years or more include dispatcher **Glenn Haul** (31, inactive), O.S.D. coordinator **Richard (Dick) Cauthers** (29), yard foreman **Fred McLellan** (28), truck mechanic **Frank Voskamp** (28), shop supervisor **Kevin Becker** (27), dispatcher **Norman Hobbs** (26), Night Admin. supervisor **Nellie Voordenhout** (26), operations manager **Bryan Gingerich** (25), data entry clerk **Marian Robin** (25), regional dispatcher **Gustavo Visentin** (24), parts associate **Bertram Woolley** (23), dock associate **Kenny Patenaude** (23), freight analyst **Adam (Troy) Donald** (23), and yard employee **Stephen Houston** (21).

Glenn Lemieux joined the *Erb Group* in 1983 as a driver. In 1990, he became driver-trainer in the Toronto terminal. His unexpected passing due to a sudden heart attack in 2008 came as a great shock to the entire *Erb* community. To this day, he is greatly missed by those who knew and worked with him. His picture in the training room of the Toronto terminal is a reminder of his many great contributions to the company.

Thunder Bay Terminal

Although *Erb's* original terminal in Thunder Bay was not opened until 1981, *Erb's* presence in Thunder Bay goes back all the way to the 1960's. Thunder Bay was one of the earliest lanes opened by Vernon himself. In the 1970's, prior to establishing a company terminal, *Erb* drivers going into Thunder Bay parked their trucks at the *Airlane Hotel* at first; later they pulled into the *Sleeping Giant Motel*, which had a big yard where they were permitted to transfer freight. *Erb's* first "office" in Thunder Bay was at the Crossroads *Best Western Hotel* where Wayne Baechler had a desk, and from where the billing was done. From there, *Erb* rented a little drop yard from *Fort Garry Industries* before moving into their first terminal in 1981.

In the early years, drivers coming from New Hamburg arrived in Thunder Bay early in the morning and delivered to local stores, including Dominion, A&P, and Safeway's. Today's Thunder Bay terminal manager Gerry Erb was one of those early drivers hauling into Thunder Bay. He remembers: "The customers knew us so well that when they saw us pulling in with the truck, they would have the carts ready to help us unload." Around 1975, Gerry Erb moved up to Thunder Bay for the first time in order to organize local deliveries. From then on, *Erb* drivers coming from New Hamburg would haul their product into town and Gerry looked after the distribution all over the city, delivering to Burns Meats, J.M. Schneider's, *Gainers*, *Superior Cartage*, Canada Packers and others.

As freight volumes into Thunder Bay continued to increase, *Erb* set up a straight truck, which was soon after followed by a second one, to be used for docking purposes. Working out of a trailer was a major improvement, as it allowed *Erb* to unload incoming trucks without requiring long-haul drivers to wait until their freight was reloaded onto another truck for local distribution. However, working out of a trailer provided its own challenges as well, particularly during the wintertime when temperatures in Thunder Bay can drop to below -40°C.

Erb's current Thunder Bay terminal at 580, 8th Avenue, was built in 1980 and opened in 1981. After renting the facility for many years, the *Erb Group* purchased the terminal from their landlord on March 1, 2007. The terminal was built as a warehouse, because the original intention behind operating a facility in Thunder Bay was to accommodate Burns Meats product. Burns had suggested to *Erb* that they could give them substantially more business if *Erb* set up a terminal in Thunder Bay. As expected, operating locally out of the new terminal building facilitated *Erb's* ability to acquire new business from many meat packers that were supplying stores in Thunder Bay. It did not take long before *Erb's* Thunder Bay terminal was providing transportation services to J.M. Schneider's, Maple Leaf Foods, Canada Packers, *Gainers* and other food processors, all of which had their own warehouses in Thunder Bay.

Robert Lichti became *Erb's* first Thunder Bay terminal manager. He ran the terminal for several years in the 1980's before returning to Southwestern Ontario to carry on as a U.S. driver out of New Hamburg/Baden. In his 35th year with *Erb* today, he continues to serve *Erb* customers as a Baden driver. In June of 1988, Gerry Erb, became the new Thunder Bay terminal manager. Having grown up close to the *Erb's* family farm, he had joined *Erb* right out of school back in the Wellesley days. Having been with *Erb* for over 30 years and being a highly appreciated member of the *Erb* community, Gerry continues to operate the Thunder Bay terminal in his capacity as terminal manager to this day.

Erb's Thunder Bay terminal has seen its ups and downs over the years, as changes in the food industry as well as fluctuations in the local economy impacted operations. When Burns Meats began shipping through *Reimers* in Winnipeg and when grocery stores in Thunder Bay, such as A&P and Safeway, switched their suppliers over to internal store distribution from their own large Toronto warehouses, *Erb* lost a significant amount of volume. Gerry Erb remembers: "We lost a tremendous amount of volume at the time.



The Thunder Bay team.



Thunder Bay Terminal.

I had to let two people go at the office here and that was pretty devastating. We've had some challenges, we've seen the good, the bad and the ugly once or twice, but every time we went through something, we became a little stronger and a little better for it."

Closely intertwined with the local economy and perceived as a local carrier in Thunder Bay and area, *Erb's* Thunder Bay terminal has deep roots in the community. Today, the *Erb Group's* Thunder Bay terminal serves as a home base for 29 tractors serving in the area. As in the early days, *Erb's* Thunder Bay drivers still deliver along Highways 17 and 11 on their return trips back east and south. The terminal also services customers in the Fort Francis, Kenora and Dryden areas. Working in close cooperation with the new Winnipeg terminal, Thunder Bay does a large amount of distribution of LTL freight from Winnipeg into Northern Ontario.

Similar to several of their other terminals, *Erb's* Thunder Bay operations are also benefitting from *Erb* being a carrier for Walmart. 4 drivers working out of Thunder Bay service Walmart alone. Having remained one of the smaller terminals within the *Erb Group's* extensive terminal network, roles at the Thunder Bay terminal continue to be less defined than at the larger terminals. Wayne Baechler explains: "*Erb* Thunder Bay is like what *Erb* New Hamburg was starting off in the 1970's. Everybody is doing everything there. Drivers also serve as dock workers, loading and washing their own trucks."

There are many long-time employees serving out of Thunder Bay. Terminal manager **Gerry Erb** has been with *Erb* for 32 years. Dock supervisor **Rick Hordy** completed 30 years with *Erb* in 2012. Shop mechanic **Dwayne Ellis** has been with the company for 29 years. The longest-serving Thunder Bay driver is Vernon and Viola Erb's younger son **Darryl Erb** (26), followed by driver **Alain Beaven** (24), and drivers **John Kuznak** (23) and **David Johnson** (21).



Elverson Terminal.

Elverson, Pennsylvania (Erb Transport Inc.)

Although *Erb Transport Inc.* was not officially incorporated until 1985, Erb's U.S. operations out of Elverson, Pennsylvania, began in 1982. Elverson is strategically located midway between the two metropolitan areas of the Northeastern U.S., Philadelphia and Harrisburg, 150 miles from New York City and 95 miles from Baltimore, Maryland. Elverson terminal manager Doug Beam reflects on the circumstances surrounding the founding of *Erb Transport Inc.*: "In the summer of 1982, Vernon and Wendell came down to the farm in a truck to get a load of chicken out of Berlin, Maryland, going to Loblaws in Mississauga. I was asked to ride along to make the pickup. When we arrived there, we talked to the traffic manager and found out about a truck auction in the area with reefer trailers and IH tractors for sale. On the way back to Elverson, Vernon let me drive. That was the first time I drove for *Erb*. A couple of weeks later Vernon was back and we went to the sale and bought one tractor (1100) and three reefer trailers and that was the start of *Erb Transport Inc.*"

Founded in October 1984, *Erb Transport Inc.* was incorporated as a U.S. company in 1985. Prior to the building of a terminal in 1990, the business operated out of Viola's sister (Violet) and her husband's (Titus) farm. In March of 1990, Elverson operations were moved into the current terminal facility on 312 North Manor Road. The Elverson terminal has been managed by Vernon and Viola's nephew Doug Beam (Violet and Titus's son) and his wife Bonnie, who have been with *Erb Transport Inc.* for 28 years respectively.

In addition to providing transportation services in the U.S., *Erb Transport Inc.* drivers out of Pennsylvania, same as their Canadian counterparts in Erb's International division, haul freight between the U.S. and Canada. Having the flexibility of assigning cross-border loads to drivers on either side of the border has worked well for *Erb* over the years. Having one company do the pickup and the other one the delivery further helps *Erb* in ensuring that the Group's drivers on both sides of the border are able to make it home over the weekend.

Furthermore, having access to drivers with U.S. citizenship through *Erb Transport Inc.* has helped the *Erb Group* meet the strict requirements when delivering freight to military facilities in the States. U.S. law prescribes that when hauling freight into any armed forces base, the delivery has to be made by an American citizen behind the wheel of the truck. K-DAC, a member of the *Erb Group* since 2009, has a contract for the delivery of furniture from *Krug Furniture* in Kitchener to military bases in the U.S. Having access to *Erb Transport Inc.*, allows K-DAC drivers to drop their freight in the U.S. and *Erb Transport Inc.* drivers to make the final delivery.

Erb Transport Inc. has grown since the days when Vernon's nephew, Doug Beam, started out as Erb's only driver out of Pennsylvania with dispatch being looked after by Richard Roth from the New Hamburg terminal. Today, *Erb Transport Inc.* has 15 drivers working out of the Elverson terminal. The longest-serving employee is driver **Marshall Busby** who has been with the company for 22 years, since 1990.



Viola and Vernon Erb with Violet (Viola's sister) and her husband Titus Beam.



Vernon and Elverson assistant terminal manager Bonnie Beam.



Vernon cutting the ribbon at the official opening of the new Montreal Terminal in 2005.



The infamous potholes at the Dorval Terminal.

Montreal Terminal

Erb's presence in Montreal goes back all the way to the late 1960's, when Vernon did the inaugural run with a load of frozen turkeys from Checkerboard Farms in Ingersoll, Ontario. Since then, due to Montreal's key location within the Province of Quebec, there has always been a core of *Erb* customers that required service into Quebec, even before *Erb* had established their own terminal there. Over the years, *Erb* has had 3 terminal locations in Montreal: From 1985 until 1991, *Erb* leased a terminal in Lachine, Quebec. From there, they moved into the former Reimer terminal on 1590 Hymus Boulevard in Dorval, which served as the company's base in the Province of Quebec from 1991 until 2004. Lastly, since 2004, *Erb* Montreal has been operating out of a state-of-the art terminal in Vaudreuil-Dorion.

Erb's first terminal in Lachine, Quebec was a rented, non-refrigerated warehouse that is remembered by long-time *Erb* associates primarily for the poor state of its yard and the simplicity of its furnishings. Wayne Baechler reflects: "The original Montreal terminal was a real dump. [Terminal Manager] Bill Bresee's office furniture consisted of

4x8 sheets of plywood on sawhorses in a portable trailer. The yard was so rough it could swallow up entire trucks. There were either potholes or dust or mud – any one of the three at any given time." *Erb's* current Montreal terminal manager Scott Jones remembers the Lachine terminal as "a very small rental trailer with a few docks."

As volume increased and *Erb* Montreal grew and added new staff, it became evident that the Lachine facility would not be able to accommodate the company's needs long-term. By the time an opportunity presented itself in the form of the former Reimer terminal on 1590 Hymus Boulevard in Dorval, Quebec, *Erb* had clearly outgrown their original Quebec terminal facility. With Reimer giving them good conditions and Ed and Bill Wills, the former principals of Laurier Transport in Ottawa, forming a joint venture with Viola Erb, Viola and the Wills purchased the terminal and leased it to *Erb* at first. Vernon remembers: "When the Dorval property came up for sale, we did not have the financial strength to buy it. It was the Wills brothers who came alongside and helped us purchase that property. They have on a few occasions stepped in and helped us financially. We do owe gratitude to Bill and Ed for that and for other times as

well when they helped us out." In order to allow *Erb* to purchase the Dorval terminal, the Wills brothers and Viola each put up half of the down payment and formed a joint venture for the purchasing of the terminal. A year later, Viola bought her partners out. *Erb Enterprises* then leased the terminal from Viola and eventually took it over.

The Dorval terminal opened its doors in January of 1991. With refrigeration on the dock and a temporary freezer in a trailer, the new terminal marked a major improvement in comparison to the previous facility and served the company well as *Erb* continued to grow in the Province of Quebec. However, as *Erb* kept adding new customers resulting in significant volume increases in Quebec, space challenges came to the fore again. The main problem with the Dorval terminal was that the property was located on the island of Montreal with no room to expand.

When in the early 2000's *Erb* started considering relocating within the Montreal area once again, management quickly realized that none of the applicable municipalities were interested in selling land to a trucking company, mainly due to property tax considerations. The problem with trucking companies, from the perspective of Quebec municipalities was that trucking terminals have smaller building footprints than manufacturing plants, for instance. Municipal property taxes are set based on the building coverage on the property, meaning that the larger the building footprint, the higher the tax revenue. Outside yard space, typical for trucking companies, yet not for manufacturers, does not provide municipalities the same kind of revenue. Consequently, as *Erb* was exploring options for a new terminal in the Montreal area, municipal leaders in Quebec regarded trucking companies as a less-desirable option for local economic growth.

In 2003, with local municipalities being hesitant to accommodate new trucking operations and *Erb* having run out of land for expansion at their Dorval facility, the *Erb Group* partnered with Conestoga Cold Storage. The two companies jointly purchased a 43-acre property

in Vaudreuil-Dorion, Quebec. Located about 30 minutes from the Quebec/Ontario border, not far from the 416 going into Ottawa and close to where the Province of Quebec and the Federal Government were extending Autoroute 30 (Highway A-30) as a southern bypass permitting motorists travelling the Quebec City-Windsor corridor to bypass Montreal en route to Quebec City, Vaudreuil-Dorion was an ideal location. Its relatively close distance to the Ontario border further meant that *Erb* Montreal acquired a small portion of the Ottawa terminal's delivery territory in Eastern Ontario.

Following the purchase, *Erb* built a state-of-the-art terminal on the property. The terminal was designed in a way that it would be attached to Conestoga Cold Storage's building, which was built shortly after. Furthermore, *Erb* rented additional freezer space from Conestoga Cold Storage. In addition to accommodating *Erb's* needs at the time it was opened on November 19th, 2004, the new Montreal terminal on 3001 Henry Ford in Vaudreuil-Dorion continues to provide ample space for future expansion. In spite of continuous growth in shipping volume in the Province of Quebec, *Erb* management expects that the Vaudreuil terminal will serve the company's needs in Quebec for many years to come.



Bill Bresee, who has been with *Erb* for 26 years, was the first terminal manager in Montreal. In 1994, he left that position and went into sales to become *Erb's* Montreal account manager, a role he continues to fill to this day. At that time *Erb's* Ottawa terminal manager at the time, Ray Charbonneau, took on the additional responsibility to manage the Montreal terminal alongside the Ottawa terminal. Following Ray Charbonneau, Wayne Baechler managed the terminal for a while until Scott Jones took on the role of terminal manager in May of 1998; he has been terminal manager ever since. Prior to becoming terminal manager, Scott, who has been with *Laurier Transport/Erb* for 28 years, was a straight truck driver out of the Ottawa terminal and served as dock supervisor in Montreal.

As Montreal operations grew, many new people were added over the years. However, as in the other terminals, there are several *Erb* associates in Montreal who have been with the company for 20 and more years: Montreal account manager and former terminal manager **Bill Bresee** has been with *Laurier Transport/Erb* for 26 years, closely followed by driver **Stanley Whitewick** (25), driver **David (Dave) Leroux** (25), driver **Louis Conroy** (25), night traffic supervisor **Lionel Pepin** (25) dispatcher **Corneilius (Neil) McCarney** (25), driver **Graeme Linehan** (23), driver **Donald Young** (23), driver **Michael Lee** (22), and driver **Chris Hogan** (20).

Wayne Baechler has nothing but praise for *Erb's* Montreal team members: "What I have always really admired about our associates in the Montreal terminal is that they are hard-working people. Those guys in Montreal went through the same school as we did when we moved from Wellesley to New Hamburg. In the beginning, they were hand bombing the freight with very little power equipment. Now they are also pioneering the Walmart warehousing business there and you've got to give those guys a lot of credit for what they are doing."



North Bay Terminal.

North Bay Terminal

Prior to opening a terminal in North Bay in 1986, *Erb* used to run trains into North Bay and area. Mark Steinman was a local driver who delivered there and then eventually opened up the North Bay terminal for the company. In October 1986, *Erb* took over the lease on an existing Sears Warehouse and installed a freezer, refrigeration system, service bays and a wash bay there, marking the beginning of the North Bay terminal. *Erb* purchased that facility on 4 Commerce Court from their former landlord in December 2005.

Under the leadership of Mark Steinman, who became *Erb's* first North Bay terminal manager, business in the area began to grow significantly and by 1989, the terminal had 34 employees. Mark Steinman's parents-in-law, Laverne and Elaine Lebold, were very much involved with the terminal as well. When Mark Steinman eventually

decided to return to Southwestern Ontario, Wayne Baechler stepped in as interim terminal manager, until North Bay driver Randy Cameron was appointed to the manager position. A great "people person", Randy Cameron, who has been with *Erb* since 1989, is managing the terminal to this very day.

Being one of the *Erb Group's* smaller terminals, North Bay's 51 team members service places like Sudbury, and the entire North, right up to Kapuskasing. Although the common practice among major grocery chains to distribute to their stores directly from their own warehouses in Toronto has taken away some of the terminal's original volume, *Erb's* North Bay drivers continue to deliver a lot of LTL freight in the North Bay area.

Deeply rooted in the North Bay community, there are many long-serving employees working out of the North Bay terminal. The longest-serving North Bay associate is driver **Paul Rose** (26), followed by inactive driver **Ray Sabourin** (26), inactive driver **Viator Foisy** (26), inactive driver **Terry Rogerson** (25), dispatcher **Michel Goulet** (25), driver **Mike Dube** (25), driver **Edward Smith** (25), driver **Randy Edgerton** (24), dock lead hand **Bill McMillan** (24), OS&D coordinator **Patrick Madigan** (24), terminal manager **Randy Cameron** (23), driver **John Walsh** (23), driver **David Rose** (23), dock lead hand **Peter Philbert** (23), dispatcher **Robert Ethier** (23), mechanic **Elmer Modeen** (21). When North Bay driver **John Gascho** left *Erb* in October 2012, he had been with the company for 29 years.

Kemptville and Ottawa Terminals

On July 1, 1986, *Erb* acquired its current Ottawa terminal as well as the nearby Kemptville terminal (closed down in 1995) as part of the acquisition of Laurier Transport. Prior to that date, *Erb* had taken direct loads into the Ottawa and Kemptville area; all their distribution, however, had been done through Laurier Transport, one of *Erb's* various interlining partners at the time. Following the acquisition of Laurier



North Bay dock workers (picture taken by Wayne Steinman).



Ottawa Terminal.



Transport, the Kemptville terminal was incorporated into *Erb's* current Ottawa Terminal on 182 Colonnade Road, in Nepean, thus combining all of the company's Eastern Ontario operations under the same roof.

Following the acquisition of Laurier Transport, Ed and Bill Wills, the former principals of Laurier Transport, stayed on with *Erb*. In their respective roles as terminal managers in Kemptville and Ottawa, they played a key role in Laurier Transport's seamless transition into the *Erb Group*. Management's decision to fully recognize Laurier Transport employees' seniority and count it as *Erb* seniority not only ensured an easy transition, but also created longevity in the Ottawa terminal. As a result, many of *Erb's* longest-serving people in Ottawa today started out with the Wills at Laurier Transport.

Over the years, Ed Wills, Lori Unsworth, Ray Charbonneau and Jerome Heroux have served as terminal managers in Ottawa/Kemptville. Jerome Heroux was hired as terminal manager in 2005 and continues in that role today.

There are many long-time associates working out of the Ottawa terminal whose involvement in the trucking industry goes back to the days of Laurier Transport: *Erb's* longest-serving drivers in Ottawa are inactive driver **Richard Sabourin** (35), part-time driver **Frank Grenier** (33), as well as drivers **Mervin Ellis** (28), **Kerry Stead** (28), **Dean Weedmark** (27), **Charles Delahunt** (27), **Pierre Zili** (26), **John Chartrand** (26), **Randy Thomas** (22), **Duncan MacMillan** (23), **Jeffrey Smith** (22), and **Todd Marshall** (22).

Other long-term associates in Ottawa with 20 or more years of service are router/dispatcher **Paul Townsend** (32), shop supervisor **Earl Willoughby** (32), dock supervisor **Robert Sparling** (32), dispatcher **Barry Jordan** (28), assistant terminal manager **Loretta (Lori) Unsworth** (27), dock lead hand **Tim Charbonneau** (23), and driver **Peter Stanul** (21).



Trenton Terminal.

Belleville and Trenton Terminals

Since the 1980's, when *Erb* first began servicing the Belleville/Trenton area, the company has had 2 different terminal locations: the original terminal was in Belleville, whereas the second and current terminal is located in Trenton. On June 15, 1988 *Erb's* original Belleville terminal, consisting of some rented dock space at a foundry, commenced operations with one supervisor, four drivers and one dock worker. Len Palmer was terminal manager. In the summer of 1988, *Erb* purchased land in Trenton and construction on the new Belleville-Trenton terminal began in October 1989. Located at 4 Riverside Drive in Trenton, the new refrigerated terminal, which continues to serve *Erb's* needs in the Trenton area to the present day, opened on June 4, 1990. Belleville operations were moved into the new terminal and the Belleville facility was shut down.

At the time the new Trenton terminal was opened, *Erb* had no more than 5 straight trucks providing LTL services out of Trenton, as well as letting another company use the terminal for cross-docking purposes to create some additional revenue. Since then, the Trenton terminal has grown into one of the larger terminals within the *Erb* terminal network with 172 full- and part-time employees, 17 owner operators and almost 250 pieces of equipment.



Trenton's OTA Pioneer Award Recipients for 2004. L to R: Al McInroy, John Verkuyl, John O'Malley, Tony Houston and Ed Golden.

On April 1, 1995, *Erb* purchased DCA Transfer in Belleville. Founded, owned and operated by the McInroy family, DCA Transfer had developed into a successful business that distributed meat for J.M. Schneider's, Burns, Canada Packers and others. DCA Transfer provided distribution services in and around Belleville, Picton, and all the way up to Bancroft. Similar to the acquisition of Laurier Transport in Ottawa 9 years prior, *Erb* brought on all DCA Transfer employees.

When Len Palmer, the first Trenton terminal manager, stepped down, Wayne Baechler ran the terminal as interim terminal manager, until John Verkuyl became the new Trenton terminal manager in January 1994. By that time, 30 employees were working out of *Erb's* Trenton facility. Before becoming terminal manager in Trenton, John Verkuyl had been a dispatcher in *Erb's* U.S. division. Throughout his tenure as terminal manager, John Verkuyl grew *Erb's* services and operations in the Trenton area significantly. When he stepped down from the position to drive for *Erb International* for a few years before becoming *Erb's* regional division manager out of Toronto, Al McInroy took on the role of terminal manager. He has been managing the Trenton terminal since January 1, 2006. Al is the son of the founder of DCA Transfer, Don McInroy, and came to *Erb* with the rest of the DCA staff when *Erb* purchased the company in 1995. Prior to becoming terminal manager, Al was OS&D coordinator (1995-1997) and operations manager (1997-2006) in Trenton.

Working with Trenton Cold Storage has become instrumental in the terminal's development; *Erb's* Trenton operation has grown alongside Trenton Cold Storage over the years. When Trenton Cold Storage hired *Erb* to provide consolidated LTL services to them, this added significant volume to Trenton operations. *Erb* trucks pick up product from Trenton Cold Storage's local freezers, take it to the Trenton terminal, assemble the loads there and look after distribution for Ontario and Quebec. Other important shippers out of Trenton include *Parmalat DC*, *Parmalat Plant* (Black Diamond Cheese) and *Minute Maid*.

Erb's role as a carrier for Parmalat in Belleville, as well as their work for Trenton Cold Storage, ensures that a significant amount of freight moves in and out of the Trenton terminal. Furthermore, Trenton's location halfway between Montreal and Toronto allows *Erb* do a lot of load and driver switching there. Growth in Trenton further led to the purchase of a 10-acre-site for a trailer drop yard. The original *Sunoco* gas station on that property has been converted to a diesel card lock for *Erb* vehicles.

The longest-serving member of the *Erb* community in Trenton is former Trenton terminal manager and part-time driver **John Verkuyl**, who has been with *Erb* for 33 years. After formally retiring from *Erb* in 2012 and starting his own corn-trucking business, he continues to drive part-time out of Trenton. The second-longest team member in Trenton is driver supervisor **John O'Malley** (31), followed by driver **Len Palmer** (29), dock associate **Don MacFadyen** (28), driver **Keith Noble** (26), owner operator **Perry Lemieux** (26), driver **Stewart Boyce** (24), driver **Dave Henry** (24), inactive driver **Terry McTaggart** (24), driver **Edward Golden** (24), inactive router/dispatcher **Anthony Houston** (23), driver **Robert Bronson** (23), dock associate **David Hooper** (22), driver **Victor McLean** (21), driver **Garry Neil** (20), as well as inactive driver **Robert Pell** (20).

Barrie Terminal

Erb has had 2 terminal locations in Barrie since originally becoming involved in the Barrie and Muskoka area in the 1980's. The first terminal, opened on May 14, 1990, was on Patterson Road. It consisted of a building and dock space that was shared with 3 other trucking companies. Although the building was small, dock space was limited and there was no refrigeration, having a terminal was a major improvement. To cool the dock, trucks and trailers were backed into the doors with the reefers running. All the freight was stored in straight trucks and trailers used as part of the dock space. In the spring of 1994, *Erb* took over the lease from a dairy company



The Barrie team in 2006.

and moved Barrie operations into the current terminal location on 75 Ellis Drive. A larger-size facility with a refrigerated dock and extended office space, the terminal has been serving the company's needs in the area ever since.

Prior to opening the Patterson Road terminal in 1990, *Erb* used to service the Muskokas from New Hamburg, Toronto and North Bay. The company had originally become involved in the Muskokas when Paul Hammond, the owner of *Muskoka Transport*, terminated his distribution business in the area. Vernon, who considers Mr. Hammond a good colleague and friend, had served with him on the OTA Board. Vernon purchased some of Muskoka Transport's trucks and took over their distribution network and customers. For the first years after becoming involved in the area, *Erb* serviced Barrie and the Muskokas from New Hamburg, which quickly proved to be unsustainable in the long-run. Hauling loads into the Muskokas from New Hamburg, making 20 to 30 local deliveries and then driving all the way back meant that New Hamburg drivers were putting in 20 hour days. North Bay drivers would come down and service a portion of the Muskokas as well.



Prodrive - Barrie Terminal manager Wilson Milley.

Confronted with the need to service the Muskoka area more efficiently and without putting so much strain on their drivers, Vernon decided to establish a terminal in Barrie to create shorter distribution runs. Shorter hauls were also becoming somewhat of a necessity, because new hours of service regulations began impacting trucking companies' ability to deliver directly over long distances. A terminal location in Barrie also promised a reduction in the amount of volume having to go through *Erb's* busy Toronto terminal.

When Vernon decided to establish the Barrie terminal, Murray and Audrey Scott, who had been instrumental in managing the Toronto terminal, took hold of that decision. In addition to his many responsibilities in Toronto, Murray spent a significant amount of time in Barrie to get the terminal going. After Murray and Audrey Scott had opened up the Barrie terminal in 1990, it was led by a number of managers, including Sean McEwan, Maurice Bauman, Joe Kowalyshen and Mark Hooper. When in 2004 the position of terminal manager became available again, company management encouraged Wilson Milley to apply. Wilson's involvement with *Erb* goes back to 1985/6, when he had started out washing trucks and working weekends in

Thunder Bay. Wilson Milley became the new Barrie terminal manager in 2004 and has led the terminal ever since. Wayne Baechler reflects: “Groomed by Gerry Erb in Thunder Bay, Wilson turned out to be the perfect fit for the job.” Murray McGuckin ran the dock at the Barrie terminal for 19 years until he retired from the position as dock supervisor in June 2011. Today, the longest-serving employee in Barrie is driver **Richard Gilbert**, who has been with *Erb* for 22 years.

Sault Ste. Marie Terminal

Similar to other terminal locations, *Erb's* presence in Sault Ste. Marie dates back to the 1970's when *Erb* drivers started delivering into the area from New Hamburg. Ken Seyler and others were instrumental in establishing *Erb's* early presence in the area.

The evolution of an actual terminal facility in Sault Ste. Marie began in the second half of the 1980's. In 1986, Garry MacDonald, who had started at *Erb* in 1976 as an owner operator out of Toronto, moved to Sault Ste. Marie and began organizing local operations, working out of the *Caswell Motor Inn* at first. Trucks coming into the area would pull into that yard and transfer loads there. After working out of that facility for a year, *Erb* began renting yard space at the *Husky Truck Stop* in Sault Ste. Marie. In 1987, Ken Seyler, who had been one of *Erb's* early drivers into the area, moved up to Sault Ste. Marie to help Garry MacDonald manage *Erb's* operations in the area.

In 1990, with several drivers already delivering freight in Sault Ste. Marie, *Erb* was ready to establish a terminal facility when J.M. Schneider's, one of their main customers, urged them to distribute product for them in the Sault Ste. Marie area. With a commitment from J.M. Schneider's that they would give their Sault Ste. Marie business to them, *Erb* leased a small unit in the *Algoma Produce* building on 285 Wilson Street. The terminal, which opened on January 15, 1991, consisted of a refrigerated warehouse and parking space that belonged to National Grocers.

When *Erb's* Sault Ste. Marie terminal commenced operations in 1991, Garry MacDonald became terminal manager and Steve McMillan of Toronto and later North Bay managed the dock. In order to get the new terminal started, various members of the *Erb* community joined in: Thunder Bay terminal manager, Gerry Erb, and *Erb's* corporate dock manager, Wayne Steinmann, came up for the early startup. New Hamburg driver Wayne Stock along with Steve McMillan from Toronto came up as well to assist with delivering freight as the new terminal hit the ground running. After the terminal had become operational, Garry MacDonald ran it with 6 drivers, 3 part-time dock workers and a part-time office employee.

Business in Sault St. Marie picked up when *Erb* acquired additional business from *Beacon Transport* in the early 1990's. One day, the company's owner, Al Hume, who was Vernon's direct competitor, phoned Wayne Baechler and told him that he needed to meet with him and Vernon that same night. When the three men got together in Toronto, Mr. Hume announced that he was pulling out of Sault St. Marie, handed them a list of names and informed Vernon and Wayne that he had already told his customers to call *Erb*. With all of that additional business, *Erb* associates at the Sault St. Marie terminal worked hard to accommodate the extra freight. Wayne Baechler remembers: “Garry MacDonald took on the challenge, managed it, and kind of worked day and night. Sault St. Marie was another small terminal where you had to be hands-on, and he was just the right person for that kind of environment. I've got a lot of respect for Garry and the hours he works. He never complains, just works away and does his thing.”

Today, *Erb* has downsized operations in Sault St. Marie due to changes in the food industry and in response to negative developments in the local economy that have resulted in significantly lower distribution volumes. When Loblaws, National Grocers and other large food and grocery chains started to build and operate their own central warehouses in Toronto and set up direct distribution to their stores

on their own trucks, this took away a significant amount of *Erb's* volume in the Sault Ste. Marie area. Although *Sysco Foods* came along, and *Erb* took on deliveries to many restaurants in the area, that business has slowed down as well, as the local economy has suffered significantly from the loss of many pulp and paper plants that had been at the core of the area's industrial base for decades. *Erb* used to move a lot of freight into communities like Elliot Lake as well as hauling numerous wood shaving loads from *Domtar Inc.* in White River into the United States. With most of the wood processing and pulp and paper industries gone and communities like Elliot Lake transitioning into “retirement communities” as jobs have disappeared at a massive scale, maintaining a separate terminal in Sault Ste. Marie made no economic sense from *Erb's* perspective any longer.

Although *Erb's* Sault St. Marie facility has lost its status as a separate terminal, *Erb* continues to service the area from its warehouse location on 285 Wilson Street. Today, Sault St. Marie is looked after from the North Bay terminal. Garry MacDonald, who has been with *Erb* for 35 years, has remained in Sault St. Marie where he carries on delivering and picking up freight under the direction of the North Bay terminal.

Winnipeg Terminal

It was only in the late 1990's, that *Erb* began servicing Winnipeg, Manitoba and Western Canada. Up until then, Vernon had a gentlemen's agreement with Don Reimer, a personal friend of his and the owner of *Reimer Express Lines* in Winnipeg. Based on that agreement *Erb* would use Reimer for the movement of freight going into and coming out of Western Canada instead of putting their own trucks onto that lane. When *Roadway Express* bought out Reimer in 1997, this opened up the West for *Erb*. *Macdonalds Consolidated*, Safeway, Gainers, Maple Leaf Foods, Canada Packers and others were early customers in Winnipeg even before *Erb* had established a permanent presence in Manitoba.



Winnipeg Terminal.

Byron Swartzentruber was instrumental in establishing *Erb's* permanent presence in Winnipeg. Having started at *Erb* in March of 1979 as a driver, Byron was working in dispatch in Baden when the position of operations manager in Winnipeg became available. He accepted the position and, in early 1998, Byron and his family moved from New Hamburg to Winnipeg to build *Erb's* business there. In the beginning of Winnipeg operations and in the absence of a terminal facility, Byron and his team had to transfer freight from one truck to another. As Byron recruited more and more customers, more permanent structures were established. In 2000, *Erb* began operating out of a shared unit with *DLM Weins Cartage* at the old *Eaton's Warehouse*, right next door to the Winnipeg Airport, on Wellington Road. DLM Weins Cartage's owners Don and Mike Weins were of great help in the process of establishing *Erb's* Winnipeg operations. That same year, a freezer was moved from New Hamburg and set up in the new location. By the summer of 2001, J.M. Schneider's and Rich Products were the dominant shippers to Winnipeg and Western Canada. The main focus of *Erb's* growing Winnipeg operations was on LTL loads to Thunder Bay to be delivered in Thunder Bay and area by *Erb's* Thunder Bay drivers. Byron Swartzentruber and his crew's efforts resulted in almost weekly increases of freight going from Winnipeg into Thunder

Bay in the early 2000's. When in 2002 Macdonalds Consolidated awarded *Erb* Winnipeg their grocery distribution to Northern Ontario, the resulting volume increase was instantly felt both in Winnipeg and Thunder Bay. 3 tractors and 5 trailers each were added to the fleet in both locations to accommodate the account.

In February 2006, *Erb* bought 7 acres of land on the Northern edge of Winnipeg in order to build a new Winnipeg terminal. Construction was completed by the end of 2009 and on January 7, 2010, *Erb* staff moved into the new location on 475 Lucas Ave. Tragically, Byron Swartzentruber, who had been so instrumental in establishing *Erb's* presence in Winnipeg and in launching the terminal, had passed away on November 5, 2009 while the new terminal was still under construction.

Following Byron's passing, Wayne Baechler filled in as interim terminal manager until Tim Brubacher was appointed to the position of Winnipeg terminal manager in February 2010. Under Tim's leadership, there has been consistent growth in *Erb's* Winnipeg operations.



On November 5, 2009 the Erb Group lost Byron Swartzentruber to cancer at the young age of 50. Unfortunately, Byron did not get to see the new Winnipeg terminal that is the result of his relentless efforts as Erb's first Winnipeg operations manager since 1998. Byron's passing, less than two months before the Winnipeg terminal was completed, was a great shock to the entire Erb community. To honour his legacy, the Winnipeg terminal's meeting room is named after Byron.

Quebec City Terminal

Prior to establishing a small terminal in Quebec City in 2012, *Erb* used to service Quebec City from the Montreal terminal. As the company's LTL business into Quebec City continued to grow and *Erb* realized that there was great potential for further business development in the city and surrounding area, management decided to have someone permanently posted in Quebec City. *Erb* was once again following their successful growth strategy of recognizing a need for service in a certain area and subsequently stationing one person and a truck there to establish the foundations. Denis Tremblay, an *Erb* employee since 1989 who was one of their U.S. drivers but originally from the Quebec area, applied when the job was posted. In his new role as Quebec operations manager, he transferred to Quebec City and built *Erb's* customer base there.

Denis Tremblay was instrumental in establishing *Erb's* presence in Quebec City. His sudden passing on February 18, 2003 came as a great shock to the entire *Erb* community and he is greatly missed by



Erb's Quebec City Interline Carrier Rejean Vennes in 2000. From L to R: Wayne Baechler, Scott Jones, Tim Zehr, Wendell Erb, Rejean Vennes and Denis Tremblay.

many people. Wayne Baechler reflects: "Denis Tremblay deserves a lot of credit for what he built for us in Quebec City. It's really because of Denis that we got to where we are in Quebec City today."

It was through Denis Tremblay that *Erb* formed a partnership with *Réjean Vennes*, a local Quebec City transportation company with a few small delivery trucks. Partnering with Transport Réjean Vennes for several years gave *Erb* a public profile in Quebec City. When Transport Réjean Vennes was bought out by another carrier, it was time for *Erb* to take the next step and rent their own facility in Quebec City. In 2012, Denis Fortin, who had been driving for *Erb* in Quebec City and surrounding area for 13 years, was promoted to the position of Quebec City operations and sales manager. Today, *Erb* has entered a new stage of growth in Quebec City; the company is currently working with 6 drivers out of a temperature-controlled warehouse facility with 5,000 square feet of operating space.

Windsor/Leamington

Erb's presence in the Windsor area goes back to the 1970's, when drivers Ross MacDonald, Peter Trachsel, Bruce Jantzi and others began hauling double trailers (trains) to Windsor. At that time, *Erb* also placed a number of straight trucks in Windsor for local deliveries. Since then, *Erb* has been operating in the Windsor/Leamington area out of three leased locations: the *Highline Produce* building in Ruthven, the *Husky Truck Stop* in Windsor, and currently the *Tradewind Carriers* terminal in Blytheswood north of Leamington.

Being permanently present in the Windsor area serves a dual purpose: *Erb* drivers doing cross-border runs in or out of the U.S. often exchange trailers in Windsor/Leamington due to the city's close proximity to the U.S./Canada border; the Windsor/Leamington sub-terminal further serves as a base for local LTL distribution in the Windsor and Leamington area.



Erb trucks at the Tradewind Carriers building.



Unloading at the Tradewind Carriers Terminal.

Erb's first location for transferring freight going into the Windsor area was at *Highline Produce* in Ruthven, Ontario, which was partly owned by Vic Thiessen (not to be mistaken for *Erb's* V.P. of Information Technology of the same name). Even though Vic Thiessen ran his own company, he served as *Erb's* local contact and helped them establish their distribution operations in the Windsor area.

From Ruthven, *Erb's* Windsor area operations moved to the Husky Truck Stop in Windsor, where *Erb* drivers used a parked refrigerated trailer as a "dock" and "warehouse" for several years. The trailer had holes cut into its sides so that trucks could back up to it.

Today, *Erb* leases space in the *Tradewind Carriers* terminal outside of Blytheswood north of Leamington, which gives them access to a dock, yard and office. Although Blytheswood, which is a 25 minute driving distance from Windsor, is further away from the U.S. border than the Husky Truck Stop that *Erb* used previously, the move into that larger facility in the countryside became necessary to accommodate the increased number of *Erb* trucks unloading freight in the Windsor/Leamington area. Today, there are several loads per day coming in from Baden for local distribution. **Paul Ketchum**, who has been with *Erb* for 25 years, is the longest-serving driver in Windsor/Leamington.

Department Structures of the Erb Group of Companies

Following *Erb's* successful growth strategy of identifying a need and putting structures and practices into place to fill it, *Erb's* current department structure developed gradually over the years. Initially, when Vernon had started out, he had been in charge of all aspects of *Erb Transport*: dispatching the trucks, acquiring new customers, rating the bills, etc. In the earliest days of the business he even looked after his drivers' pay. Following this, Viola Erb became involved with accounts payable and receivable, taking charge of bills, drivers' pay and the entire administrative side of the business. When, after obtaining the unrestricted refrigerated license in 1970, the company

started to grow, Vernon was forced to give up many of his former responsibilities. As the number of loads leaving the New Hamburg dock increased almost daily, Mel Gerber, one of *Erb's* first drivers, took charge of dispatch during the day. It was not long until *Erb* had to hire a night dispatcher as well, as many shipments arrived at the terminal during the night. From there, ever-increasing volumes, a growing fleet, and the need to deal with more operational and administrative processes on a daily basis, meant that *Erb* increasingly relied on people who specialized in different aspects of operations, such as routers, dispatchers, mechanics and office staff. As the company continued to grow and diversify, the *Erb Group's* department structure was born.

Today, the *Erb Group* incorporates the following departments: Operations (Canadian and International, including dispatch); Maintenance and Repairs; Sales; Human Resources and Drivers Services; Office and Administration; Accounting and Finances; Advertising, Marketing and Communications; Information Technology; as well as the Antiques division. The departments are led by Bruce Jantzi (Senior V.P. of International Operations, Erb International Inc., and K-DAC Enterprises Inc.), Kevin Cooper (Senior V.P. of Canadian Operations and Finance), Steve Haus (Corporate Fleet Manager), Vic Thiessen (V.P. of Information Technology), Dave Dietrich (V.P. of Human Resources), and John Jutzi (V.P. of Canadian and U.S. Sales).

Operations

Throughout *Erb's* long history, many people have made significant contributions to operations, be it in their role as drivers, dispatchers, dock and yard employees, mechanics, etc. Although a key focus of the following pages is on people in leadership positions, as well as on operational processes and procedures devised and implemented at the head office level, without the dedication and hard work of each and every member of the *Erb* community, any such effort would have been in vain.



Richard Roth in 1974.



Bill Wills.



Gerald Buhr.

Richard Roth was instrumental in managing the company's growth during the 1980's. A strong leader, he started at *Erb* in 1973 after Vernon had bought his family's business *C.L. Roth Transport*. Following a stint as a night rounds driver and dispatcher in the traffic department, in 1976 Richard became traffic manager, a position he maintained until 1986. In that capacity, he looked after Canadian operations, as well as starting U.S. dispatch at a time when *Erb's* U.S. division was still in its infancy. Although not officially referred to as "General Manager," he was in fact very involved with all of *Erb's* operations throughout the 1980's. Richard developed many of *Erb's* operational policies and procedures and, in 1986, became the company's first V.P. of Operations. He resigned from that position at the end of April 1988 in order to pursue another leadership opportunity outside of *Erb*. Like many others members of the *Erb* community, he eventually came back, serving as an International driver and logistics coordinator. Richard retired in December of 2011.

Bill Wills, who together with his brother Ed had been co-principal of Laurier Transport and came to *Erb* when Vernon bought their company in 1986, played an important role in operations as well. Among other things, he served as V.P. Canadian Operations throughout the

late 1980's. Next, Vernon and Viola's son-in-law, Gerald Buhr, who is married to their daughter Karen, played a key leadership role in Canadian operations. Gerald started at *Erb* in 1980, and was involved in a number of different roles (including building projects and looking after maintenance, working in the parts department and in purchasing) before becoming V.P. of Canadian Operations in 1989. In his leadership role, Gerald had a significant long-term impact in establishing structures and developing more formalized purchasing procedures across the entire *Erb* organization. As the company was transitioning itself into a larger player in the North American transportation industry, identifying needs on the procurement side and planning ahead for when to purchase new equipment, such as trucks, trailers, or parts, became a necessity. The *Erb Group* benefits from Gerald's professionalization of the procurement process to this very day.

Another area of lasting impact has been the Trenton Terminal delivering freight directly from Trenton Cold Storage to the Toronto area under Gerald's direction. Wayne Baechler comments: "Our line-haul could not handle all the freight we were getting from Trenton Cold Storage. Gerald making the decision to bypass the Toronto terminal and to deliver directly into the Toronto area from Trenton meant quite a bit of change for us. It is a great example for his think-outside-the-box approach to operations." Based on another initiative by Gerald Buhr, *Erb* Trenton began making direct deliveries into Montreal as well. To this day, there are Trenton drivers delivering directly to the Toronto area. Gerald's decision to increase Trenton's role within the *Erb Group's* terminal network was a key contributor to the overall growth of that particular terminal, both in terms of volume and the number of *Erb* associates working out of the Trenton facility.

Erb's first public relations manager, Dorene Rudy-Snyder, remembers Gerald in his role as V.P. Canadian Operations particularly for his caring attitude. "He has a real gift for caring for people," she comments. Today, Gerald is involved in building maintenance with the



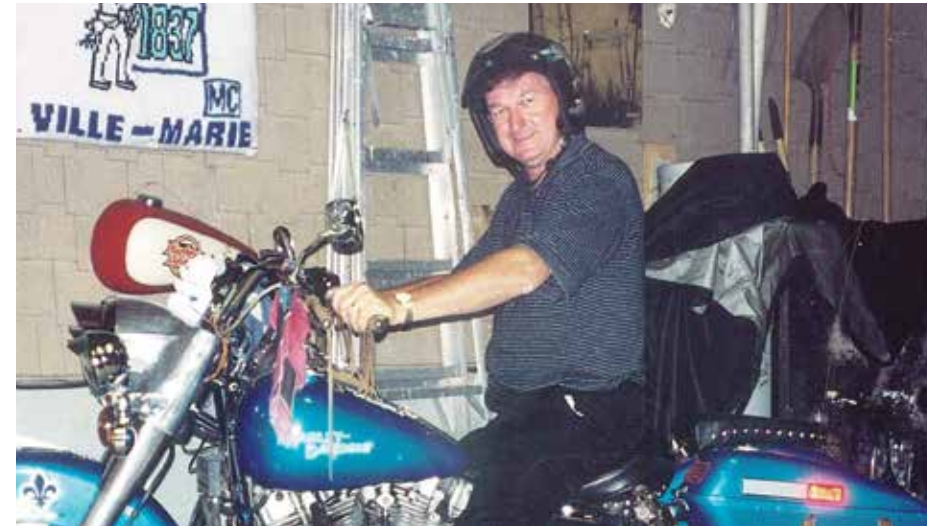
L to R: Tim Zehr, Dave Dietrich, Kevin Cooper.



Senior V.P. of Canadian Operations and Finance Kevin Cooper.



Senior V.P. of International Operations Bruce Jantzi.



Corporate Operations Manager Wayne Baechler getting Harley Fever in Denis Tremblay's garage.



Vernon, Viola and Corporate dock manager Wayne Steinman during Erb's 30th anniversary celebrations, 1989.

School Board in Brantford, as well as being a member of the Board of the *Erb Group of Companies*.

Tim Zehr, who succeeded Gerald Buhr as V.P. Operations, originally joined *Erb* working on the dock, before leaving to start his own trucking company. After coming back to *Erb*, he became involved in management roles. Following a stint as New Hamburg terminal manager, he became Director of Canadian Sales and Pricing and eventually V.P. of Operations. After Tim Zehr left, Wendell oversaw Canadian operations for one year before appointing Kevin Cooper, *Erb's* V.P. Finance at the time, to the newly-created joint position of V.P. Canadian Operations and Finance. Kevin had started at *Erb* in 1985 as controller and had become V.P. Finance two years later. Kevin has been leading Canadian operations in that dual role ever since.

Prior to becoming GM in 1999, Wendell had built *Erb's* International division and had become V.P. International Operations. When he took on the role of GM, Bruce Jantzi was appointed to the position of

V.P. International Operations. Having started at *Erb* originally back in 1973, Bruce had worked on the dock for 2 years prior to becoming a driver. Following a 3-year stint at J.M. Schneider's between 1977 and 1980, he returned to *Erb*, serving as Canadian night dispatcher between 1981 and 1987, before going back on the road as an owner operator and driver in the U.S. division (1987 to 1991). Prior to becoming V.P. of *Erb International* in 1999, he had worked in U.S. dispatch under Wendell's leadership for the previous 8 years. Bruce Jantzi continues to lead *Erb's* International division as well as K-DAC today in his role as Senior V.P. of International Operations, Erb International Inc., and K-DAC Enterprises Inc.

The importance of Wayne Baechler, *Erb's* corporate operations manager, in operations over the years cannot be overemphasized. Knowing Vernon from his childhood days, Wayne first joined *Erb* part-time in 1969, cleaning out trucks and helping reload during nights, when the company was still operating out of Wellesley. He came on full-time in 1970, getting involved in dispatch, the office, going

to Highway Transport Board hearings on behalf of *Erb's*, making deliveries and doing sales off the truck, as well as temporarily relocating to new terminal locations to get terminals off the ground. Fleet manager Steve Haus comments on Wayne's significant role during the 1970's, *Erb's* foundational years: "I give Wayne a lot of credit because he was in the early days, in a lot of ways, Vernon's right hand man. With Vernon's personality and Wayne being much the same, between the two of them, they sold the company, and laid a lot of the ground work for what we do today."

Wayne's most distinguishing personality traits are his exceptional talent to fit into any place and his ability to listen and instantly connect with people. V.P. Finance and Canadian Operations Kevin Cooper explains: "Wayne could go to Tibet and meet someone he knows there. Wayne is a people magnet; people like him, people trust him, and he gets to know people wherever he goes. He is absolutely outstanding in his ability to get people to open up to him."

These character traits suit Wayne very well in his role as *Erb's* "one man mobile emergency response unit." Whenever there is an issue at any of the terminals or any other short-term need at the operational level that requires immediate attention, Wayne is sent in to resolve the situation. Over the years, he has filled in at several terminals as interim terminal manager in-between permanent terminal managers or when terminal managers needed help. In that capacity, he has run *Erb's* terminals in Toronto, Trenton and Winnipeg.

The importance of the dock in operations cannot be overstated either. Dedicated dock employees and proper dock procedures ensure that the correct product gets loaded onto the right truck, making the dock at each terminal a key function within the organization. On the dock side of operations, the late Wayne Steinmann deserves a lot of credit. In his role as New Hamburg dock foreman and corporate dock manager, Wayne developed and implemented many of the systems and dock procedures that *Erb* uses to organize freight and to get it sorted and loaded. In addition to managing the New Hamburg dock



Corporate dock manager Wayne Steinman organizing the recovery of the freight after an Erb truck was caught off by a car on Highway 7/8 on the way to Pennsylvania.

for many years, Wayne Steinmann's role as corporate dock manager took him to the other terminals when needed. In assisting dock employees with dock procedures, he was instrumental in creating consistency at the docks across the entire terminal network. Having joined *Erb* in 1970, in October 1995 he became the third member of *Erb*'s "25 Year Club" next to Ken and Floyd Gerber. A quiet person who displayed both character and qualities that demanded respect, Wayne Steinmann passed away at work of a sudden heart attack on December 18, 2000. He is remembered as someone who could move freight like nobody else, as "a devoted employee who treated his men very fairly and expected them to work hard" (Floyd Gerber), and as "one of the best dock guys [you had] ever seen—a terrific man!" (Kevin Cooper).

On the dispatch side of the business, one person who is particularly remembered as an essential part of the *Erb* story in spite of having passed away over 30 years ago is Ernie Fink. Ernie played a key role in operations in his capacity as *Erb*'s main dispatcher during

the 1970's. Floyd Gerber remembers: "Always in good humor, and always laughing, he was a jovial kind of a guy. Ernie added something to dispatch that was truly unique." Part of Ernie's lasting legacy was his ability to come up with a nickname for every new person that started out at *Erb*. Many of those nicknames have stuck with long-time people who started in the 1970's, be it "Frenchi" (for Floyd Gerber, because he did a lot of runs to Montreal at the time), "Flash" (for Ken Gerber, because he would come back from a run and instantly be gone again), or "Speedy" (for Gerry Erb). Other names created by Ernie Fink included "Baby Huey," "Sweetheart," "Sticky," "Tiny" or "Grumpy."

One day Ernie came down into the shop, and when he saw fleet manager Joe Weber covered in grease from head to toe, he called him "Spook" and the name stuck. Ernie not only created names for the drivers, he had nicknames for some of the trucks as well. Truck 312, the Home Hardware truck that was used for runs into the Maritimes and that brought fish back to New Hamburg, was the



Ernie Fink.

"Herring Choker." "Pink Panther" was the name assigned to another truck by Ernie Fink. Steve Haus remembers: "Ernie was just one of those fun-loving guys. He was part of the *Erb* culture because he was a people-person." When Ernie Fink died unexpectedly on Christmas Eve 1980 of a brain aneurism, every member of the *Erb* community felt this tragic loss. The fact that long-time employees still refer to Ernie Fink and the nicknames he gave to them over 30 years ago manifests that his personal legacy is still alive at *Erb*'s today.

Maintenance and Repairs

Today, the *Erb Group*'s maintenance and repairs department looks after 1902 pieces of equipment (158 straight trucks, 638 tractors and 1106 trailers). From the company's early beginnings in the 1960's, *Erb* has always maintained very high safety and maintenance standards. Over the years, the *Erb Group* has become known to DOT (US Department of Transportation) and MTO (Ontario Ministry of Transportation) inspectors as a trucking company whose trucks do not require more than a cursory check, if at all, due to *Erb*'s long-standing commitment to always comply with the latest safety standards. *Erb*'s proactive approach to maintenance and safety, one of the core values and operational imperatives, goes back to Vernon personally and to the earliest days of the company. Vernon was always good at maintenance, because working on trucks was one of his key interests. Being someone who enjoys equipment, Vernon serviced his own trucks for several years, spending many weekends and nights in the shop. Living across the street from *Erb*'s New Hamburg head office, it was easy for Vernon to check on things and to do whatever was needed after regular hours, including servicing and fixing trucks and reefers.

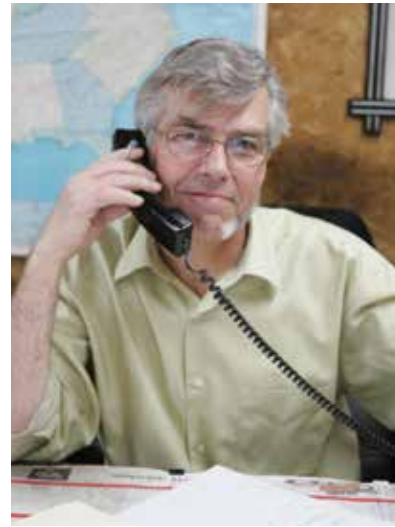
As *Erb* grew and more equipment was added to the fleet, the job of servicing and maintaining company trucks was given to professional mechanics. During his time as a driver at Sindall's in the 1960's, Vernon had worked with Ron Linseman, who operated his garage in

Haysville. By the time Vernon's own fleet consisted of about 6 tractors and straight trucks, he would take equipment that had broken down or experienced other technical problems to Ron Linseman, who was a very good mechanic, to have them serviced by him. One time while operating his egg truck, going from farm to farm to pick up eggs for delivery to Toronto the next day, Vernon noticed that the truck was having valve problems. That same night, he pulled in at *Linseman's* and told Ron that he needed the truck early the next morning to take the load of eggs on the truck to Toronto. Ron and Don Coxson, a retired inspector for the army who helped out at the garage, changed the head on Vernon's 6-cylinder truck and early the next morning the truck was ready for Vernon to deliver the eggs to Toronto. Vernon always appreciated that kind of service; Ron Linseman would always put himself out to accommodate Vernon's busy schedule regardless of the severity of any technical problem he might have experienced with one of his trucks.

A few years into the business, *Erb* started buying International trucks at Ted Dietrich's International farm equipment and truck dealership in St. Agatha. As *Erb*'s fleet of International trucks continued to grow, Vernon gradually began using Dietrich's dealership and attached garage for maintenance as well. Ted Dietrich was very thorough and he knew International trucks inside out. *Erb* used Dietrich's for several years alongside Ron Linseman's. Vernon remembers one of *Erb*'s drivers going into Northern Ontario with a load of poultry one time. When that driver restarted his diesel truck after getting fuel at a truck stop, the engine rattled and stalled. *Erb* ended up having the tractor towed from Northern Ontario to Ted's garage. Vernon was quite concerned because if the engine on the diesel tractor needed to be rebuilt, it would be a very costly repair. He left the truck with Ted to determine what was wrong. When Vernon checked in at the shop some time later, Ted told him that he had found the problem. Being used to driving gas trucks, the driver had put gasoline into the tank instead of diesel.



Vernon and his long-time friend, fleet manager and head of the Antique Division Joe Weber.



Corporate Fleet Manager Steve Haus.

mechanic at *Spartan International Trucks* in Kitchener where Vernon had bought parts he needed for his first dump truck. The odd time when Vernon had to take his truck in to get work done, he had always been impressed with Joe Weber's skills and attention to detail. From that, he knew that Joe was an excellent truck mechanic.

When Spartan International had closed at some point in the 1960's, Joe had gone on to different jobs as a mechanic. By the time Vernon talked to Joe and offered him the position of shop supervisor at *Erb*, Joe was working at *Forbes Motors*. He was reluctant to accept the offer at first. *Erb* was still a small trucking company and Joe, who was used to working for larger establishments, really enjoyed his job at Forbes Motors. Given the relatively small size of *Erb* at the time, he was not sure whether joining *Erb Transport* would be a good move long-term. Over the course of several weeks, Vernon and Joe spoke on and off; almost every Saturday, Joe would come by the shop and Vernon would reinforce that if he wanted to join *Erb* the job was there waiting for him. Finally one day Joe told Vernon that he had decided to join the company. He became *Erb's* service and fleet manager in August of 1974. In that dual role, he was in charge of both procurement and maintenance of *Erb's* growing fleet.

Joe Weber did a great job and deserves a lot of credit for the way he looked after *Erb's* equipment, often working 12-hour-days, and never passing the shop even after hours without pulling in just to ensure that everything was fine. Running the shop as if it was his own company and knowing International trucks inside and out, he did not spend money unless it needed to be spent. A meticulous person, Joe made a point of keeping everything in the shop in the right place at all times. His unconditional commitment to driver safety meant he would never compromise the safety of the fleet for a short-term cost advantage. Joe was instrumental in building *Erb's* reputation as a reliable carrier that operates a safe fleet at all times. He excelled in situations where he had full responsibility in his area of expertise and Vernon had total confidence in him.

Vernon always liked having the trucks lined up straight in the yard over the weekend and Joe was there every Saturday to assist him in getting the fleet lined up. During the wintertime, Vernon and Joe parked all of *Erb's* diesel tractors inside the building over the weekends, placing them in reverse order based on which one had to get out first Sunday night or Monday morning. This was done so that the diesel trucks would start in cold weather.

Joe had joined *Erb* at a time when the company was rapidly expanding following Vernon's purchasing of the unrestricted refrigerated PCV license. As new trucks kept being added to the fleet, Joe brought in Steve Haus, today's service and corporate fleet manager, to help him in the shop. While doing his apprenticeship as a mechanic at Forbes Motors in Waterloo, Steve had worked on trucks under Joe Weber's supervision. By the end of October 1974, Joe called Steve who had become a licensed mechanic in 1972, and said, "Get your tool box loaded up and come out here because I need your help." Joe told Steve that *Erb* was the best place to work for. Eager to work with Joe again, Steve Haus joined *Erb* as a mechanic in October 1974 and has been with the company ever since. There were many times when Joe and Steve continued working late into the night so that a truck that was experiencing problems would be available for hauling freight the next morning. "Both of us had the attitude that whatever we could do to make the company go, that was our goal," Steve Haus remembers.

In 1980/1, as Joe became more involved with the management side of fleet maintenance and repairs, Steve Haus became shop foreman. When Joe retired in 1993 and moved on to build *Erb's* antique division, Steve succeeded him as service manager and corporate fleet manager. Steve did not want the corporate responsibility at first. A passionate mechanic who needs to work with his hands, he preferred fixing trucks. However, after *Erb* interviewed several candidates for the position and it turned out that none of them was the right fit, Steve finally accepted the position of fleet manager. In

that role, he has carried on Joe's legacy of excellence, as *Erb's* fleet continues to be one of the most reliable and safest in the industry.

Based out of New Hamburg, Steve Haus, in his role as corporate fleet manager, looks after all the shops in the *Erb* terminal network. In spite of having taken on the corporate responsibility and spending most of his time on the phone with the shop supervisors from the other terminals, he has remained the hands-on guy he started out as. He reflects: "My downfall is that I still need to get my hands dirty from time to time. I still spend my weekends at the yard in Baden walking through the equipment. I need to know why I have tire wear on my trailers, or why a truck does this or that. I'm not going to get that knowledge sitting behind a desk."

Each terminal has its own mechanics and shop supervisors who are in charge of looking after the equipment running out of their respective location. Many of *Erb's* maintenance staff in the various terminals have been with the company for years. Across the entire *Erb*



Some of the New Hamburg shop crew in 2008.



Orval Steinman working on a trailer.



New Hamburg technician Nick Meyer.



Mechanic Rob Roth.



Mechanic Ray Dubeau.

Group, there are 65 mechanics with different specializations in trucks, trailers and reefers. Furthermore, there are 5 support staff in Steve Haus' corporate office and several staff members who are looking after parts, including a corporate parts and warranty manager. In total, the maintenance group at *Erb's* consists of about 75 people.

On the reefer/refrigeration side, Ken Gerber has taken on an important leadership role over the years. Back in the 1960's, Ken was the first driver that Vernon hired full-time. In addition to being an excellent driver, the one thing that always stood out about Ken was the fact that he could deal with almost any mechanical problem he might experience while being on the road. When Ken did the Home Hardware run to Nova Scotia for several years in the 1960's, bringing back fish on his return trips, the refrigeration units were hardly predictable. Almost every time Ken came home, there were wires hanging on the truck that he had installed to keep the gas-powered refrigeration unit going. Halfway home he would regularly experience problems with the unit, and yet he always knew how to keep them going.



Ken and Linda Gerber with Viola and Vernon at the Thermo King plant in Puerto Rico, 1988.

As the fleet continued to grow and more refrigeration units were added, Vernon felt that *Erb Transport* needed someone to specialize in refrigeration equipment. Remembering Ken's special skills and interest, *Erb* sent him to *Thermo King* in the United States to attend courses on their refrigeration units, which were running on *Erb* trucks. Over the years, Ken Gerber became very knowledgeable in the technical side of *Erb's* Thermo King units. After working with local technicians at the various terminal locations for servicing the refrigeration units, Vernon decided to put Ken in charge of all refrigeration equipment across the entire *Erb* organization. In his new role as manager of the reefer department, Ken was frequently on the road visiting terminals and looking after their reefer units. Although he officially retired in 2011, after 47 years at *Erb's*, making him the longest-serving employee in the history of the company, the *Erb Group* continues to rely on Ken Gerber's expertise and experience, bringing him on part-time to do refrigeration maintenance work when needed.

Sales Department

In applying Vernon's proven approach of adding capacity as it became necessary to satisfy growing demand, *Erb* gradually developed a sales team over the years. Today, *Erb's* sales force under the leadership of V.P. of Canadian and U.S. Sales John Jutzi consists of account managers for Southwestern Ontario, Toronto, Eastern Ontario and Quebec, plus sales representation in Thunder Bay, Winnipeg and Western Canada, as well as the U.S.

As *Erb Transport* continued to grow throughout the 1970's, the first person they used in sales was Wayne Baechler. Putting Wayne, a person who instantly connects with people, into that particular role worked out really well for *Erb*. Wayne, who was in his 20's at the time, started travelling around to visit prospects and customers. The one thing that made him stand out in Vernon's memory was that regardless of the outcome of a certain visit, he stayed always



The Erb Sales and Service team in 2006. Back row L to R: Peter Brown, Dale Bauman, Doug Waring, Bill Bresee, Terry Woody, Wayne Stock, Roger Nafziger, Alex Dodds. Front: Kathleen Boniface, John Jutzi, Sherry Rolleman, Denis Renaud.



Sales and operations meeting.

very positive. Wayne Baechler remembers: “The very first account that I approached was Hershey’s Canada who were operating a large plant in Smith’s Falls. I went there with a tractor-trailer loaded with meat. At the time, we were looking for return loads so that we would not have to run empty on the backhaul any longer. We did not even have an appointment set up with Hershey’s when I went in to meet their traffic manager, Roy MacMillan, for the first time. The Hershey people left me sitting there and waiting and waiting and waiting, but I was determined. I had learned that from Vernon, to be determined and to never give up. When Roy MacMillan finally came to see me, he kind of gave me the boot, saying ‘I know you are an *Erb* and if I want to use you, I’ll let you know, but I have a carrier right now.’ I was so down that day, I’ll never forget that. I called Vernon and said ‘Vernon, I think I blew this one.’ At the end of the day, however, we became their house carrier.”

In 1980 Wayne Baechler left the company to start a garage in the town of Bright together with a friend, Glen Guthrie. Glen, who later became *Erb’s* shop foreman, and Wayne, who rejoined *Erb* in 1989, operated that garage for several years. With Wayne gone, *Erb* had a sales position to fill. At the time, Murray Scott, a good friend of Vernon and Viola’s, who later took over the *Erb* terminal in Toronto and operated it as terminal manager together with his wife Audrey for many years, was looking for an opportunity to get back into trucking. Murray was involved with *Transport for Christ*, a ministry group that cares for the spiritual needs of truckers. When he expressed interest to get back into commercial trucking, Vernon offered him the position of sales representative for the Toronto area. Being a very likable person, Murray did very well in sales, securing many major accounts for *Erb*. One of those accounts was *Marks and Spencer*. When this English company expanded into Ontario and opened up many new stores across the Province, it was through Murray’s efforts that *Erb* was awarded the contract to distribute all of their frozen and refrigerated foods to their stores.

On top of his many other responsibilities as president of a quickly-growing transportation company, Vernon remained personally involved in sales as well. He remembers traveling to Ottawa one day together with Murray Scott, visiting customers as well as seeing the Wills brothers at Laurier Transport. At the time, Laurier Transport was *Erb’s* interlining partner for distribution work in the Ottawa area. Bill and Ed Wills had another brother, Osborne Wills, who operated a separate distribution company out of Smith’s Falls, which also did some distribution for *Erb*. When Vernon and Murray stopped in to see Osborne, he suggested that they try to get into Hershey’s again. The Hershey’s plant in Smith’s Falls was shipping large amounts of chocolate which at certain times of the year needed refrigeration during transport. Vernon was quite interested in acquiring their business since *Erb* trucks that were hauling meat to Laurier Transport in Ottawa kept coming back empty because they did not have return loads.

While Murray and Vernon were sitting in his office, Osborne phoned Hershey’s traffic manager Roy MacMillan and arranged for an appointment that same day. When meeting Roy MacMillan at Hershey’s later that day, Vernon got the same impression that Wayne Baechler had had years earlier when showing up at his office unannounced. Although Roy MacMillan did not express this explicitly, Vernon noticed right away that he was not interested in dealing with them. At the time, there were several carriers that were licensed to haul from Smith’s Falls to Toronto and Hershey’s was using them for shipments out of their Smith’s Falls plant. Vernon and Murray tried to convince Roy MacMillan to use *Erb Transport*, emphasizing their refrigerated capabilities and the fact that they had authority to carry refrigerated product in and out of any place in Ontario. Mr. MacMillan simply did not believe them at the time. Vernon still has a copy of the letter he wrote to him after that meeting which had a copy of *Erb’s* PCV license attached to it. When he did not hear back from Roy MacMillan, Vernon did not pursue Hershey’s any further for the time being.

Several years later, Richard Roth, whose important role in operations has been mentioned already, did a trip to Ottawa to meet with Ed Wills of Laurier Transport in regards to *Erb* shipments and the two companies’ interlining distribution arrangement. While Richard and Ed were meeting, the latter suggested that the two of them try to see Roy MacMillan at Hershey’s again. When they met with Mr. MacMillan that same day, to their great surprise, he was ready to talk business. This time, the timing was right, because Hershey’s was looking for a new carrier. Vernon still remembers Richard coming back from that trip all excited proclaiming: “We’re going to get the Hershey’s business.” It was too good to be true. As in so many other cases, persistence had paid off. *Erb* built a great relationship with Hershey’s that lasted for many years. Although the Hershey’s plant in Smith’s Falls has since closed down, Vernon and Roy MacMillan, who retired many years ago, still talk to each other at least once a year.

Ed and Bill Wills, although never formally hired as sales associates, acquired a significant amount of new business for *Erb* as well. After selling Laurier Transport to *Erb*, Ed Wills, in addition to running the Ottawa terminal, involved himself in sales, in spite of always saying that he was not a sales person. His brother Bill had a strong background in sales and, following *Erb’s* acquisition of their business, joined *Erb Transport* at head office in New Hamburg. There, he looked after sales as well as taking on a leadership role in operations. Bill was very ambitious and did very well in sales at *Erb’s*.

Over the years, Richard Roth at head office took on an increasingly important role in sales as well. Murray Scott, Vernon and others when coming back from sales trips, made it a regular habit to talk to Richard. Richard would review the deals made at those meetings and determine how to best accommodate the new customers. After taking Richard along to a meeting with a prospective client and seeing him take an active role throughout the negotiations, Vernon decided to make Richard a part of sales meetings right from the beginning. Realizing Richard’s strength in interacting with prospects



Wendell Erb and Ted Peck.

and customers alike, Vernon had him do some sales work on his own. As expected, Richard did very well in that role.

When an ever-increasing amount of freight began running through *Erb’s* Toronto terminal, Vernon made the decision to have Murray Scott, who had played an important role in sales, manage the Toronto terminal. Although Murray in his new role as terminal manager continued to do some sales work as well, his primary focus was on running the terminal. Recognizing a need for a professional sales person, *Erb* hired Doug Waring to look after sales in Southwestern Ontario. Doug had been a salesman for *Reimer Express* and came to *Erb* in 1988 with almost 25 years of experience in sales and customer service. Doug, who retired in June 2007 after almost 20 years as *Erb’s* veteran account manager for Southwestern Ontario, did very well in that capacity.

In February 1986, A.E. (Ted) Peck, who had been traffic manager at J.M. Schneider's for many years, joined *Erb* as sales manager. Vernon and his team had closely worked with Ted over the years because J.M. Schneider's had been a key customer of *Erb's* right from the early days of the company. The one thing that made Ted stand out in Vernon's memory is the fact that he was highly professional in dealing with customers. When he joined *Erb*, he brought a new level of professionalism into the sales department. Knowing many people in top management positions in various larger corporations and generally connecting well with people, Ted was able to secure many new accounts for *Erb*. It was with the hiring of Ted Peck and his subsequent appointment to the lead position in sales that *Erb* created the senior management designation of V.P. Sales. Ted Peck retired in 1997 after 11 years at *Erb* and was succeeded by Tim Zehr who became Director of Canadian Sales and Pricing in the spring of 1997. Since 2000, John Jutzi has been leading *Erb's* sales team in his role as V.P. Canadian and U.S. Sales.

Erb's current V.P. Sales John Jutzi emphasizes Ted Peck's outstanding role in establishing Sales as a separate department: "Ted did a great job of developing the department, getting the framework in place and working with it. As a result, when I got involved with it in 2000, we had a solid basis. Thanks to Ted's great work in building the department, it was just a matter of expanding on the foundations he had laid by adding new people as our needs in sales kept growing over the years."

John Jutzi started out at *Erb's* as a truck driver in the 1970's, driving a straight truck and delivering from store to store, before becoming one of the company's first rate clerks, putting rates to the freight bills and making sure that they got billed out. After working in rates and billing for many years, he moved to Virginia. At that point, *Erb* decided to make him the company's contact in the United States with the mandate to look after *Erb's* customer base in the U.S. In that role, John did a lot of traveling. Being a very dedicated sales person, he did very well and managed to secure a lot of new business. John



V.P. of Canadian and U.S. Sales
John Jutzi.



V.P. of Human Resources
Dave Dietrich.



Participants in the "Skills for Dealing with People" course presented by Elvin and Doreen Rudy in December 1981, Back Row L to R: Elvin Rudy, Wayne Steinman (hidden), Joe Weber, Murray Scott, Vic Thiessen, Richard Roth. Front Row L to R: Floyd Gerber, John Jutzi, Vernon Erb, Murray Schlueter.

remained in charge of *Erb International* sales until 2000 when he was promoted to V.P. Sales for all *Erb* companies.

Today, *Erb's* sales team consists of less than 10 people. There is an account manager for Southwestern Ontario, 3 people in Toronto, 2 for Eastern Ontario and Quebec, and a person that dedicates about half his time for sales in Quebec City. Gerry Erb, terminal manager in Thunder Bay, splits his time between managing operations and doing sales in Thunder Bay and area. John Jutzi, in addition to his responsibility for overall group sales in his role as V.P. Sales, covers *Erb's* customers in the U.S. from his home base in Virginia. As mentioned previously, corporate operations manager Wayne Baechler is currently responsible for sales in Western Canada.

Human Resources and Drivers Services

One of Vernon's key strengths as an entrepreneur is that he keeps attracting people to the company who share his values and work ethic. Vernon always hired highly capable and reliable people that he knew he could trust, be it on the drivers' side, on the dock, in management, or anywhere else. Today, although in a significantly larger corporate environment, this tradition continues under Wendell Erb's leadership. While many of the early employees shared Vernon's Mennonite and/or farming background, today the *Erb* community has become much more diverse. Embracing diversity while maintaining Vernon's core values of honesty, integrity and unconditional dedication to service, today's *Erb* community consists of over 1,300 people of many different ethnic and national backgrounds.

The *Erb Group's* Human Resources department grew out of what was originally called "Drivers Services," and then "Personnel." Today, *Erb's* HR department incorporates 3 main areas: Human Resources (responsible for recruiting, training, compensation, insurance etc.), Drivers Services (a driver-specific section that includes driver recruitment, driver training, compliance, etc.) and Health and Safety.

Floyd Gerber, who had joined *Erb* back in the Wellesley days, was instrumental in founding HR as a separate department and in defining procedures and processes therein. Being particularly committed to driver safety and compliance (he was *Erb's* first driver supervisor), he developed many of *Erb's* safety and compliance programs. Floyd remembers the gradual evolution of the HR department after coming off the road to become *Erb's* first driver supervisor in 1980: "We had absolutely nothing at the beginning; there were no files, we started from scratch. We just learned and went along and developed our plans, policies and procedures as we needed to. From there, it spread out quickly into all areas related to human resources. So there was another great opportunity to acquire new skills and grow with the evolving needs of the company."

In the late 1980's Floyd was joined by Dorene Rudy-Snyder, who throughout her more than 15 years with *Erb* - in addition to her work in public relations - took on an increasingly important role in internal communications with employees in her capacity as Director of Human Resources.

While in the beginning Vernon had personally hired all new associates, he passed on that role to Wayne Baechler (throughout the 1970's) and to Floyd Gerber (1980's and beyond). As *Erb* continued to grow into a larger operation with several terminal locations, the hiring process became more decentralized. V.P. Human Resources Dave Dietrich explains: "Head office will determine the requirements, qualifications, and job descriptions and will support the terminals in making a hiring decision if need be, but a lot of the actual hirings are done locally."

Based on their excellent experience with people advancing and moving to different positions in the organization, *Erb* tries to promote from within the company as much as possible. Experience tells company management that promoting people who have been part of the *Erb* culture for years and who are already familiar with the company's various systems, customers, and processes, into supervisory and

management roles, is not only good for the employees, but is also highly beneficial for the company, as *Erb*, due its size and the nature of the business has become a fairly complex organization.

Employee Management Committee

Building onto Vernon's philosophy and practice of always being approachable, *Erb* management has maintained an open door policy for all employees, enabling every member of the *Erb* community to voice their concerns directly to management and the company leadership. *Erb* employees are represented as a group through employee management committees, which exist at every terminal location. Floyd Gerber and other long-time members of the *Erb Group* were instrumental in creating these committees as a collective forum where employees can bring to the table any issue they want to discuss. Within this organizational framework, employee representatives regularly meet with management to address potential concerns and work out solutions in an amicable and non-confrontational manner.

Employee Benefits

As a market leader in the Canadian and North American transportation industry, the *Erb Group* provides employees with a comprehensive benefit package. Building onto Vernon's personal concern for his employees' well-being, the *Erb Group* is committed to ensuring that employees and their families are well-protected. *Erb* offers employees a group RRSP plan to which the company contributes, a group TFSA tax-free savings account program, as well health, disability and life insurance benefits. A unique component within *Erb's* benefit plan is an employee and family assistance plan that includes professional counseling services on a confidential basis. For that program, *Erb* has established relationships with counseling agencies at each terminal location.

Driver Safety Training and Safety Awards

Floyd Gerber, in his role as *Erb's* first driver supervisor and subsequently as V.P. Personnel/HR, was instrumental in ensuring that *Erb* not only complied with, but also actively endorsed all safety regulations created to protect drivers and the public alike. Floyd's dedicated leadership resulted in training and safety compliance standards that continue to define *Erb's* standing as a safe and reliable carrier. Under Floyd's leadership, *Erb* hired driver trainers to ensure that safety and compliance standards were applied to operations across the entire organization. Wayne Baechler reflects: "When we hired a new driver and when the driver went through orientation before going on the road, we would ask: Have you been 'Gerberized?' Floyd was pretty strict with the rules; drivers could not go on the road until they knew a lot of things. Unlike in the old days, you don't just hand them the keys to the truck anymore."

Today, Tom Boehler serves as *Erb's* Director of Safety and Compliance. Together with *Erb's* corporate driver training manager, Randy Steckly, he looks after driver training and driver supervision. Working with a team of dedicated driver supervisors at the various terminals,



Recovered Erb truck after it was cut off by a car on Highway 7/8.

they ensure that the *Erb Group* is fully compliant with all regulatory systems aimed at increasing safety in the trucking industry.

Erb's driver training is highly structured. When a driver first comes on, there's a very detailed orientation program, which consists of almost a week of training both in the classroom and on the truck. Beyond that, new *Erb* drivers continue to work with a coach for a period of time, and all drivers attend mandatory safety and training sessions twice a year. Drivers are regularly updated on new regulations and other requirements in regards to safety and operating a truck on the road. E-learning has become an important part in keeping drivers up-to-date on the latest changes and developments. *Erb's* e-learning initiative was put in place by Tom Boehler in reaction to challenges arising from the fact that *Erb's* driving force is spread out all across Canada and parts of the United States, with a significant number of drivers being on the road at any given time. *Erb* was a pioneer in the industry when first introducing online training modules in addition to classroom sessions as a way to convey new information to their drivers.

Ongoing driver training and enforcement of compliance within the organization has served *Erb* well over the years. To the extent that accidents involving *Erb* drivers have happened, these have only reinforced the company's unconditional commitment to maintaining safe equipment at all times and to use continuous driver training as a way to make excellent drivers even better. While the main focus of driver training is on avoiding potentially critical situations through defensive driving, *Erb* has also trained their drivers on how to get out of dangerous situations in case they do occur. One such initiative under Floyd Gerber's leadership was teaching drivers skid control, the skills necessary to recover the truck out of a jackknife situation on slippery roads. As part of this training initiative, *Erb* brought one of their trucks to a skid pad at an airfield near Centralia outside of London, Ontario, made the truck skid and jackknife, and then taught the drivers how to recover the truck from that situation.



The Erb Safety mobile classroom trailer in the New Hamburg yard.



Floyd Gerber teaching in Erb's mobile classroom in the 1980's.

Safe Worker Award Program

In 1990, *Erb* Transport instituted a *Safe Worker Award Program* to reduce the risk of injury and the frequency of accidents within the organization. During the first four years of the program, *Erb* gave away over \$100,000 in Bonus Awards to employees who did not have a reportable injury at work, making the program a great success. Over the years, *Erb's* Safe Worker Award Program has resulted in substantial Workers' Compensation refunds through the *New Experimental Experience Rating (NEER)* program. These refunds have benefitted *Erb* employees by helping the company reach the criteria for gain-sharing on several occasions.

Erb's outstanding safety record has been formally recognized through many safety awards over the years. For a list of the various awards received by the *Erb Group* over the years, see below page 234.

Business Administration, Accounting and Finance

From the days when Viola Erb looked after the entire administrative side of the company to today, where there are several administrative departments, head office operations have changed significantly over the years. Like in all other areas of the company, departments and new functions on the administrative side developed in correspondence with growth and gradual diversification.

Lois Broda, after Viola Erb the longest-serving woman in the organization, joined *Erb* in May 1973 and has grown with the company over the years. Back in 1973, Lois, Viola, and a third person who helped with accounts receivable for a short time, were the only people looking after the administration of the business. When Curtis Roth was hired in October 1973, he took on accounts receivable. With no more than five people in the office including dispatch and less than 20 employees in total in the mid-1970's, jobs in the office were less defined than they are today. In the early days,

Lois Broda filled a great number of functions, including document control, credit, accounts payable, typing pro-bills on a typewriter, etc. Over the years, she has served as Vernon's executive secretary and today she continues in that role for Wendell Erb and Kevin Cooper, as well as looking after licensing. When Cynthia Shantz joined in 1977, she took over the typing of pro-bills, before moving into credit. Gail Musselman, who joined *Erb* a year later, in 1978, took over payroll from Viola, further solidifying the beginning process of diversification and specialization at head office. Prior to Kevin Cooper joining *Erb* in 1985 as controller and becoming responsible for the entire financial side of the business as V.P. Finances two years later, Mahlon Wagler and Ed Evans were *Erb's* in-house accountants.

Today, the main departments and functions within head office are Document Control, OS&D, COD's, Accounts Payable, Accounts Receivable, Payroll, Credit, Claims and POD's, Pricing/Rating, Accident Claims, Human Resources, Information Technology, Safety and Compliance, as well as Drivers Services.

Document control looks after filing and imaging all the paperwork that trucks carry and bring back, such as Proof of Deliveries. At 25 years, Gloria Russel is the longest-serving employee in that department. The OS&D (Over, Short and Damaged) department looks after customer reports of items that have been over-shipped, short-shipped or delivered in an unsatisfactory or damaged condition. OS&D coordinator Doug Brickman has been with *Erb* for 28 years. COD's (Cash on Delivery) are being looked after by Doris Baeringer, another *Erb* team member for 28 years. Accounts Payable, a separate department since the 1980's, is headed by Vivian Bender, who joined *Erb* 24 years ago. Accounts Receivable is headed by Sharon Kienapple, an *Erb* team member for 26 years. Prior to Sharon, Viola Erb was in charge of Accounts Receivable until retiring in 1996. Corporate Payroll Supervisor Gail Musselman, who has been with the company for 34 years, looks after payroll for *Erb* employees, whereas Judie Brennemen, an employee of 14 years, is in charge of



New Hamburg office staff in the 1990's. Back row L to R: Murray Schlueter, Diane Heyer, Beth McMillan, Al Schultz; in the front Marg Matthews and Barb Rogers

broker payroll. The Credit department is headed by Cynthia (Cindy) Shantz, who marked 35 years with *Erb* in 2012. Claims and proof of delivery (POD's) are looked after by Terry Trachsel. Roger Nafziger, who has been with *Erb* for 32 years, is in charge of pricing and rating. In his role as Corporate Safety, Accident Investigation and New Hamburg Facility Manager, Tom Broda is in charge of WSIB and accident claims as well as managing *Erb's* New Hamburg facility, looking after repairs and maintenance. At the Baden facility, Kevin Shantz, an *Erb* associate of 28 years, serves as Corporate Facilities Manager. Marg Matthews, an *Erb* associate for 28 years as well, serves as Human Resources Supervisor. Since 2003, *Erb Cold Storage* has been managed by Jerry Baan who has been with *Erb* for 36 years. *Erb Transportation Solutions* is managed by Wayne Stock, an *Erb* employee of 34 years. For HR, Safety and Compliance, and Driver Services see above pp. 171-174. For *Erb's* Information Technology department see below pp. 176-180.



Lois Broda in the office in the 1970's.

Several of the aforementioned head office functions are duplicated in some of the terminals, which have OS&D departments, some payroll functions, as well as driver trainers. The administration of *K-DAC*, *Erb Expedite* and *Erb Transport Inc.* has remained separate within the overall umbrella of the *Erb Group of Companies*.

Advertising, Marketing and Communications

With Vernon being the public face of the company and *Erb* outsourcing their limited advertising needs for many years, there was no need for a separate advertising, marketing and communications department until well into the late 1980's. Ted Peck, whose outstanding role in establishing sales as a separate department has been emphasized already, served as *Erb's* first V.P. Marketing. It was during his tenure in sales and marketing that Dorene Rudy-Snyder was hired in the fall of 1988 as the company's first Public Relations Manager.



The Erb Executive team at Dorene Rudy-Snyder's retirement party in June 2004.

Prior to joining *Erb*, Dorene worked for a local business magazine where she was responsible for advertising. In that capacity, she visited Vernon periodically to inquire whether he wanted to renew his company's ad in the magazine for another year. At the time, Vernon was using an external agency for designing ads for *Erb Transport*. After learning that Vernon was somewhat frustrated with the way his advertising concerns were being looked after by that large Toronto public relations firm, Dorene said she would be interested in working for him, if he wanted an in-house advertising/promotions person. Not knowing whether the company could afford a full-time staff member in that role, Vernon spoke to Viola who knew Dorene quite well. The two women had first met while working at the University of Waterloo together, after Vernon and Viola had just been married. Viola told Vernon that Dorene would be a great asset and suggested he hire her. So did Ted Peck, *Erb's* V.P. of Marketing at the time.

Joining *Erb* as Public Relations Manager in the fall of 1988, Dorene, in addition to looking after the company's advertising needs, also

took over the "Erban Report," the *Erb Group's* newsletter, which had first appeared in March 1987. Following her appointment, she and Viola Erb would edit the "Erban Report" together. Within a relatively short period of time, Dorene's responsibilities in the company grew: in addition to her role in public relations and marketing, she became Vernon's executive assistant, finalizing reports, writing letters, making appointments, etc. In 1994/5, Dorene further began working with Floyd Gerber in human resources on pay equity and other matters. Following her appointment to the position of Director of Human Resources, she became a member of the executive team as well as the Board of Directors.

From the moment she joined the company, Vernon put Dorene in charge of corporate sponsorship, donations and all other forms of *Erb's* corporate community involvement, which was close to Vernon's heart. After retiring from her full-time position in 2004, Dorene worked for another 7 years part-time, looking after corporate sponsorships, donations and community involvement until fully retiring in December 2011.

Following Dorene, Patty Attwell became *Erb's* second Director of Corporate Communications. Today, Julie Mudry serves as Advertising and Communications Manager, as well as looking after sponsorships and donations.

Computer Department and Use of Information Technology

At *Erb*, as elsewhere, the use of computers and Information Technology in day-to-day operations has grown exponentially over the years as new technology and an ever-increasing number of programs and applications have become available. From the company's first computer system in 1981 which was used as an accounting box, to today's complex communications systems that serve to connect all of *Erb's* terminals, drivers on the truck, and customers, the evolution of *Erb's* IT department is a story of an ever-changing work

environment. Vernon had a vision from early on, but issued no real mandate or defined timeline on how to integrate computers into the company's various processes. Vic Thiessen took the lead and gradually introduced Information Technology to *Erb*: his initial area of focus was administration, and billing in particular. Once that system was in place, emphasis was placed on converting dispatch from paper to the computer screen. From there, the most important stages in the gradual computerization of *Erb* included synchronizing dispatch across the terminal network through *Erb's* integrated dispatch program called *Working with Movements*, and incorporating satellite and Wi-Fi technology into dispatch and communications. IT applications, such as *Electronic Data Interchange* or *Erb Interactive* further enhanced *Erb's* IT capacities over time.

Herman - Early Exposure to Computers in the Office (1981-1985)

In 1981, Vernon decided to purchase a Burroughs B 90. This step marked the beginning of the computer age at *Erb*. Supporting *Erb* office staff from 1981 until 1985, use of that first "accounting box" remained limited to billing, accounting and payroll purposes, supporting no more than 5 users. *Erb* office employees continued to create documents on paper first and then key the information into the computer. To accommodate *Erb's* first computer system, which was approximately the combined size of a regular washing machine and a dryer, Vernon had to vacate his office. *Erb's* Burroughs B 90 was nicknamed Herman after the famous cartoon character due to the many problems associated with that particular computer.

Solomon - Computer Technology in Administration and Operations across the Terminal Network

In 1985, *Erb* purchased an IBM System 38, and began the journey of integrating computer technology into both administration and operations. As this new computer system required the space of

three existing offices, some of *Erb's* administrative staff members were temporarily moved into office trailers. A computer-naming competition was held for all employees, with the name "SOLOMON" being declared the winner. Named after the Bible character of Solomon, whose name is associated with wisdom, the system has been upgraded many times over the years.

Unlike today, back in the 1980's there were very few computer programs available. In November 1985, *Erb* began working with an LTL package from IBM; this marked a major step towards using software to facilitate operations rather than utilizing it for accounting purposes only. Although the freight was still keyed in after the fact, the new program that was installed on *Erb's* IBM System 38 offered more detailed information, including freight destination, origin, weight, number of pieces, etc. When in April of 1986 the decision was made to key the freight bills in *before* delivery, this was another major step towards using the computer in a new way. From this point on, *Erb* had workstations on the terminal floor where staff keyed the information in at night. The new system was rolled out in New Hamburg first and then shortly after in Toronto. Within the next 5 years, all terminals were switched over to the new framework.



The Erb computer system in 1987.



Computer programmer Bill Grannary with Erb's System 38 in 1989.



V.P. of Information Technology Vic Thiessen.

Integrating the use of computers into operative processes proved challenging at the beginning, particularly considering that the main paradigm shift from paper to computer occurred in the mid-1980's, when *Erb* was experiencing annual volume increases of 30 to 40%. Already having to cope with challenges resulting from that unprecedented level of growth, employees in pricing had to adapt to a completely new way of operating as well. Not surprisingly, the transition was anything but smooth. In the early summer of 1986, *Erb* was about 3 months behind in billing and there were discussions about going back to paper. However, management decided to stay the course and by the fall, *Erb's* billing was current again, and it has remained current ever since.

In 1988, the computer department was expanded in order to establish a direct link between head office and the terminals. As computers became an everyday reality, Vic Thiessen who had led the computerization of *Erb* since 1981, left his other responsibilities to look after IT full-time. After attending training courses in computer programming, he wrote and implemented an automated rating

program, which processed billing automatically. With that routine in place the next focus area was dispatch, which was gradually converted to computer use in the late 1980's and early 1990's as well. Vic Thiessen remembers: "After we had switched the administration and billing over to the computer, dispatch was still done manually. The dispatch system at that time was one big sheet, allowing dispatchers to look at the various processes in a comprehensive manner." After Vic Thiessen had established a computer framework for dispatch, he started working with individual people across the terminal network on using the program. Many dispatchers were resentful of the computer at first because they feared that the screen would force them to compartmentalize and make them lose their ability to look at the big picture. Gradually realizing the benefit of not having to write up manifests manually any more, however, more and more associates became convinced of the benefits of the new program and by 1993 all of *Erb's* terminals were using the new dispatch system.

Throughout the 1990's, *Erb* made continuous upgrades to the computer system. In November 1992, new IBM AS/400 computers arrived and were put to work primarily in payroll, general ledger and accounts payable. In an ongoing effort to be near the forefront of technology, another systems upgrade was made in 1994, with the goal of accommodating increased volumes and the company's new computerized dispatch system. The new software created greater efficiencies in planning freight movements and in tracking the location of equipment. Both International and Canadian Operations switched over to the new software in the spring of 1995.

Working with Movements

Prior to developing an integrated dispatch program and applying it to domestic and International operations across the entire terminal network, *Erb* had 3 different dispatch systems: one for truckload, a second for LTL and a third one for U.S. truckload. All 3 systems had their own way of doing things, and did not communicate with each

other. As volume continued to increase and with many new lanes being added to operations, a higher level of integration was indispensable. Realizing that a more integrated dispatch system would eliminate unnecessary empty runs across the organization, the decision was made to create one single dispatch system. Vic Thiessen remembers: "It's almost like going back to that big sheet again. The key difference was that now, the big sheet was digital." Due to the complexity of *Erb's* operations, doing pickup, truckload (Canada and U.S.), LTL and distribution, there was no software package available that would have met the company's unique requirements for an integrated dispatch system. Thus, under the leadership of Vic Thiessen, *Erb* built a computer program that combines all transportation functions across the entire Group in one computerized dispatch framework. Named *Working with Movements*, it has remained at the heart of dispatch to this present day. The program was completed in 1996 and was subsequently rolled out across the terminal network.

Satellite Communication on the Truck and in Computerized Dispatch

In 1996, right around the time that *Erb* was introducing *Working with Movements* as the central dispatch program, satellite communication (*Cancom Mobile's* two-way satellite messaging and tracking system) was brought in and integrated into driver-dispatch communications and into *Erb's* dispatch program. Today, all *Erb* trucks, both domestic and international, are equipped with satellite communications technology.

Prior to using *Cancom's* popular *OmniTRAC* units, drivers had communicated with dispatch mainly by telephone or over two-way radio. The main shortcoming of that older communications system was that it was entirely voice-based, meaning that each voice message had to be keyed into the system in order to update the status of a delivery in the dispatch database. *Erb's* U.S. business in particular was undergoing a significant growth period throughout the 1990's; with an ever-increasing number of *Erb* trucks hauling freight all over

North America, the new *Cancom* satellite communications system marked a major improvement. *Cancom's* messaging software allowed *Erb* to send a dispatch electronically to the truck. On the trucking end, drivers, after making a delivery, only needed to press a key to send out an automated message informing dispatch that they had delivered the freight. That same message would automatically update the status of the delivery in *Erb's* integrated dispatch database.

The aforementioned improvements in dispatch and communications were accompanied by major changes in imaging: rather than scanning documents into fiche, as had been done from the early 1990's on, *Erb* started scanning documents into a hard drive. Having immediate access to freight bills and other relevant documents on the computer was another important step in the gradual computerization of *Erb Transport* and the *Erb Group of Companies*.

Electronic Data Interchange and Information Technology in Customer Relations

Throughout the 1990's, *Electronic Data Interchange (EDI)* was another key focus area of *Erb's* IT department, as it provided for significantly improved communications between carriers and their customers. Phased in in 1992, and beginning with business to business communications between *Erb* and J.M. Schneider's, EDI allowed computers to exchange information between companies. Phase one was the electronic invoicing of freight bills. Phase two had J.M. Schneider's electronically transmit customer invoices to *Erb's* loading docks for printing and updating. Following the successful introduction of EDI in that particular business relationship, *Erb* quickly became a leader in the use of EDI in the transportation industry. Vic Thiessen remembers: "EDI allowed us to transmit information electronically between shipper and carrier or carrier and consignee. Because of EDI, we don't have to key in many of our bills. Thanks to EDI we don't touch about 1/3 of our documents, as they are communicated electronically either by us or by the customer."

Although EDI is a great concept and has improved communications between businesses significantly, it has become increasingly complex for service providers like *Erb*, who are dealing with many different customers because each company customizes their EDI framework to a certain extent. V.P. Sales John Jutzi explains the resulting challenges: "When we started to get involved in EDI, we found that each company was using the system slightly differently. As a result, we now have in-house computer programmers who are just writing EDI programs that are unique to every customer."

In 2001, *Erb* implemented its new *Track and Trace program* and *POD Inquiry*. Known as *Erb Interactive*, this service which is offered to *Erb* customers free of charge, allows shippers to track their shipment via the Internet and check out the status anytime from pickup to delivery. Once the delivery has been completed, and the accompanying *Proof of Delivery* or *POD* documents have been returned to the terminal, they are scanned into the imaging computer at head office. Customers can then view and/or print the scanned image of the Bill of Lading via the Internet at their own location. With hundreds of *Erb* customers using the system, track and trace technology has added yet another service level to operations at *Erb*.

IT Today

Today, all of *Erb's* operations are fully integrated through technology. *Erb's* IT team is responsible for over 370 computers that assist *Erb* employees in their work each and every day. With every department and operational process relying on the computer in some way, if *Erb's* primary computer server nicknamed "Solomon," ever crashed, it would severely impact the entire organization, including the more than 700 drivers who communicate with dispatch via satellite messaging. Customers would be negatively impacted as well, because they would be unable to send their electronic load tenders for freight pickups or use the *Erb Interactive* website to track their shipments and *POD's* receipts.



The new "Solomon" in 1997.

Being fully aware of the negative repercussions a computer crash would have on all parts of the operation, *Erb's* IT team ensures that there are multiples of backups copying information from "Solomon" onto magnetic tape. These back-ups are performed daily and weekly and the resulting tapes are stored off-site for further protection. Furthermore, *Erb's* IT department has developed and implemented a plan to reduce the downtime should "Solomon" ever crash. To that end, a duplicate computer server called "Esther," talks to "Solomon" at all times. Using special software, every piece of information added into "Solomon" is immediately copied to "Esther". As a result, pending the circumstances, downtime in case of a complete systems crash would be approximately 2 hours.

Vic Thiessen explains why the names "Solomon" and "Esther" were chosen for *Erb's* primary computer servers: "Both names are Bible characters. Solomon is considered to be the wisest man who ever lived and Esther was a Queen who saved her people from being killed. We thought somehow that was fitting! Solomon and Esther: A match made in *Erb Group!*"

Antiques Division

A mechanic at heart, *Erb's* maintenance supervisor and fleet manager Joe Weber never wanted to retire. As he was approaching retirement age, Vernon was looking for a job to keep him involved with the company. This is when the idea was born of Joe Weber restoring vintage trucks for the company and serving as manager of *Erb's* new antiques division. From the day he retired from the position of fleet manager almost until the day he passed away in April of 2009, Joe Weber restored over 30 vintage trucks for Vernon and the company.

Erb's antique department began with Vernon's decision to have Joe Weber restore an old R 190 International truck. *Erb* had been using that particular truck as a shunt truck for shunting trailers in and out of a dock in Simcoe. Joe did an excellent job restoring that truck and when he was done, Vernon got him a second one to work on. Being passionate about trucks, and knowing antique International trucks inside out from his work experience at Spartan's, Joe was the ideal person for this kind of restoration work.

In the 1940's, International had built models KB 1, 2, 3, 5, 6, 7, 8, 10, 11, 12, and 14. It was Joe's dream, and Vernon supported him in that goal, for *Erb Transport* to have that entire line of KB's. Over the years, *Erb* was able to acquire these trucks in various parts of the U.S., with the exception of the 12 and the 14 models. Joe thrived on restoring these trucks and spent many days and nights rebuilding them one by one.

In addition to the KB models, International had also built an "R" line of trucks. As *Erb's* antiques division grew, Vernon and Joe decided to add that line to the collection as well. As a result, *Erb* ended up buying an R 185, 190, 195, 200, as well as several R 220's, all of which were restored by Joe as well. While Joe did all the interior work, including the wiring and cleanup, Terry Coutt took on the task of completing all necessary body work as well as the painting. Eventually, *Erb* got



Joe Weber and his crew after the restoration of the first antique truck: L to R: Glen Guthrie, Kevin Becker, Ron Heinbuch, Joe Weber, Pat Faugh.



Restored vintage trucks.



into restoring antique farm tractors as well, a direct reflection of Vernon's background in and love for farming. Taking a lot of pride in his restoration work, Joe had an *Erb Transport* decal made, which is displayed on the side of all of *Erb's* vintage trucks.

One truck in the antique collection that Vernon is particularly fond of is a 1956 International S 184 dump truck, the same model that he had started out on back in 1959. Joe not only restored that truck, he was also responsible for finding it. One day, after Vernon and Joe had decided to look for an S 184, Joe told Vernon that he had located one north of Parry Sound. Together, they drove up and met with the owner, who had brought in several International trucks from Western Canada, including that 1956 S 184 dump truck Vernon and Joe were interested in purchasing. During the negotiations it became clear that the man, who was a trucker himself and was running a small trucking business, was not looking for money. Instead, he offered Vernon all five vintage trucks in his possession in exchange for a more contemporary dump truck that he could use in his business. Knowing that Vernon had a large fleet of modern

equipment, he asked him to modify one of *Erb's* newer diesel trucks into a dump truck according to his specifications. After Joe confirmed that he could do the transition, the two parties agreed on the deal. Vernon was ecstatic; the mere possibility of getting a restored model of his original dump truck instantly brought back great memories of his earliest days in trucking.

Back in New Hamburg, Joe started working on changing over one of *Erb's* diesel trucks into a dump truck. While Joe was putting on a dump box, installing the wiring for the trailer hook-up, and having the truck painted, Vernon went back to Parry Sound and asked the seller: "Are you sure that you can trust us that we are giving you a good enough value for what you are giving us?" The man looked at him and asked in return: "You are Mennonite, aren't you?" "Yes," Vernon replied. "Ok then, I trust you with whatever you say," the seller continued. Even though the man was not Mennonite himself, he told Vernon that he had done business with Mennonites before. Having gotten to know them as honest people, he trusted them by their word. "What a compliment," Vernon thought to himself.



Following that meeting, Vernon reinforced with Joe that they needed to make sure they were giving the man his money's worth.

Vernon vividly remembers the day the conversion was completed and Joe and he took the truck up to Parry Sound. "The man was so pleased with his new dump truck," Vernon reflects. The seller needed a good diesel dump truck for his business and the truck Joe Weber had built for him met all his needs and expectations. Upon closer inspection, the old International trucks Vernon received in return were all in excellent shape.

Later on, when Vernon started to add several vintage International bulldozers to his antiques collection, he learned that the person, who had sold him the International trucks, including that special dump truck, had an old International TD 9 bulldozer as well. Vernon and Joe went up to see him again. They were greatly surprised when the man offered to give that bulldozer to them for free as part of their

original deal. "If you want the bulldozer, just take it," he said, "that one is still part of our deal."

While restoring trucks and building *Erb's* antiques division, Joe spent numerous hours at his shop in downtown New Hamburg where *Erb's* paint shop is located today. When another *Erb* mechanic, Levi Kuepfer, had to retire from the shop due to health issues, he joined Joe in the antiques division, helping wherever he could. Following Levi's untimely passing, another retired *Erb* mechanic, Gary Padereski, joined the antiques division for the last couple of years that Joe was still active.

In his great passion for vintage trucks, Joe always reminded Vernon of upcoming truck shows; together they would load their antique trucks and exhibit them together. In his final years, interacting with people interested in his restored vintage trucks at those shows was a big part of Joe's life. Being *Erb's* antiques division manager was a great way for him to end his long career. When Joe Weber passed away



Vernon Erb and Joe Weber.

on April 20, 2009 at the age of 82, his passing was a great loss for Vernon personally and for the entire company. Vernon appreciated Joe not only as a great mechanic with a passion for old trucks, but as a personal friend. Since Joe's passing, the antique division has done very little. Whenever exhibiting the antiques, such as most recently at the 2012 *International Plowing Match* in Waterloo Region, Vernon maintains that if it was not for Joe Weber, the *Erb Group* would have no antique trucks to show. With greatest appreciation of all the work Joe Weber has done over the years, Vernon considers *Erb's* antiques collection Joe's personal legacy.

Vernon's brother-in-law, Ken Torkelson, who lives in Oregon, has played a role in growing the company's antiques division as well. Knowing that *Erb* was buying vintage International trucks for restoration purposes, he and his wife, Viola's sister Grace, would often go on drives through the countryside over the weekends to look for antique trucks for sale. In his role as Vernon's "Western antiques buyer", when seeing old abandoned trucks sitting in farm yards, he would



Ray Pasnyk, Joe Weber and Murray Stewart at Truckfest 1997.

talk to the farmers and inquire whether they were willing to sell them. He would then call Vernon and tell him about his finds and send him pictures. If Vernon liked the trucks, Ken would buy them on behalf of the company. One major advantage of buying vintage vehicles in the Western U.S. is that due to the dry climate in that region, there is no rust on the trucks, even after sitting outside for years.

Companies within the Erb Group of Companies

Today the *Erb Group* consists of *Erb Transport Limited*, *Erb International Inc.*, *Erb Cold Storage*, *Erb Transportation Solutions*, *Erb Brokerage*, *Erb Transport Inc.* and *K-DAC*.

Erb Transport Limited

Erb Transport Limited, the original member of the *Erb Group*, is the largest company in the organization. Owning and operating all the terminals, *Erb Transport* is responsible for over 50% of the

Group's overall volume in revenue. Within *Erb Transport Limited*, which services Ontario, Quebec, and Manitoba, 75% of the overall volume is LTL or DSD shipments and 25% truckload.

Erb International Inc.

The second-largest division after *Erb Transport* is *Erb International*, which accounts for about 40% of the Group's overall revenue. Operating with about 250 drivers, around 75% of *Erb International's* volume is truckload and 25% LTL. *Erb International* services Ontario, Quebec, and looks after all freight going into and coming out of the Maritimes and Western Canada, as well as hauling loads anywhere in the U.S.

In 2000/1, *Erb International's* geographical scope of service widened significantly, when the company started running shipments into Western Canada in addition to its traditional focus on U.S. cross-border runs. Since then, *Erb International* has also been responsible for any freight going to Saskatchewan, Alberta and BC. Since 2005/6, the International division has also been looking after freight that moves through the Thunder Bay and Winnipeg terminals. Although this freight is technically domestic and thus to be handled by the Canadian division, *Erb* assigned it to the International division to avoid having domestic trucks running empty from Thunder Bay all the way to Toronto. It was a better fit for *Erb International* to take over those lanes because they had all kinds of freight in Minnesota, Wisconsin, and elsewhere in the States to pick up. As a result, in Winnipeg, domestic drivers look after local deliveries from the terminal, whereas *Erb International* is in charge of the line-haul part of operations into Winnipeg. In 2010, *Erb International* began to run freight into Eastern Canada as well. Since then, the U.S. division has been servicing all of North America with the exception of Ontario and Quebec, which are looked after by *Erb Transport Limited*.

In terms of volume, with some variations, *Erb International* does between 170 and 220 full truckloads plus between 800,000 and





The Erb Transportation Solutions Team in 2006.

a million pounds of LTL a week into the United States. LTL loads into Western Canada (Saskatchewan and West from there) vary anywhere from 600,000 to 800,000 pounds a week; while another 500,000 to 700,000 pounds of LTL freight go to Manitoba and the Thunder Bay area each and every week.

Erb Transportation Solutions Inc.

Started as *Erb Expedite Inc.* in March 1997 on Huron Road and later moved to 125 Hamilton Road, New Hamburg, the company was set up by Darryl Erb (Vice president at the time), Sharon Erb (Customer Service Representative/Marketing Coordinator), and Ed Wagler (Operations Manager). *Erb Expedite* was originally established to provide last-minute expedite services to *Erb* customers. As the mandate widened over time to include regular non-emergency dedicated movements, *Erb Expedite* was renamed *Erb Transportation Solutions Inc. (ETSI)*. Today, operating with about 15 pieces of equipment out of the Baden terminal, *ETSI* offers a wide range of courier, emergency, expedited and dedicated services by land or air anywhere in Canada, the U.S. and beyond. Available 24 hours a day,

7 days a week, there are no cut-off times for orders that require immediate handling through *ETSI's* fleet of refrigerated vans.

Regular dedicated work includes hospital meal movements from central kitchens to hospital facilities in Kitchener, Toronto, Oshawa, and Kingston. Among other things, *Erb Transportation Solutions* further delivers hundreds of boxes of chicken that *Elmira Poultry* sells to sports teams for fundraising purposes. Within the original expedite mandate, *Erb Transportation Solutions* continues to provide



last-minute expedite services for *Tim Horton's*, *Martin Brower* (who deliver to McDonald's restaurants) and others. Today, *Erb Transportation Solutions* is looked after by Wayne Stock, who has been with *Erb* for 34 years.

Erb Transport Inc. (U.S. Company)

For a comprehensive overview of the history of *Erb Transport Inc.* see above pp. 144-145.

Erb Cold Storage (ECS)

Operating out of a 33,000 square foot freezer at the Baden terminal, *Erb Cold Storage (ECS)* is the *Erb Group's* warehousing division, which, together with their transportation capabilities, allows *Erb* to provide customers with fully-integrated cold storage warehousing solutions. The opening of the new Baden terminal in the fall of 1999 put *Erb* into a position to add the cold storage component to operations. From the company's beginnings in the fall of 1999 until July 2003, when Jerry Baan took over as *ECS* manager, *Erb Cold Storage* was managed by Vernon and Viola's son Darryl.

In November 2003, *ECS* upgraded its computer software. Besides assisting *ECS* staff in their day-to-day tasks, the new software enables *ECS* customers to view their product inventory and conduct their business transactions with *ECS* via the Internet. 2009 saw a further expansion of *Erb's* cold storage capacity with the addition of a new warehouse in Kitchener. The new facility on Highland Road is a CFIA-approved establishment, meaning that *ECS* customers do CFIA-meat re-inspections on the premises, helping them eliminate border delays and giving *Erb* increased control over the re-inspection process and the paperwork that accompanies it. In addition to maintaining freezer warehouses in Baden and on Highland Road in Kitchener, *Erb* has been able to offer customers freezer space in Vaudreuil-Dorion and Winnipeg as well.



Kevin Albrecht working in the Erb Cold Storage freezer.



Highland Cold Storage, Kitchener.



K-DAC shop at the new Sandhills Road location.



K-DAC's new Sandhills Road head office.

Erb Brokerage

Through the brokerage division, *Erb International* works with 75 to 100 outside carriers on a regular basis, mainly for loads coming from the U.S. into Canada. The *Erb Brokerage* originated in the 1980s, when Wendell Erb and Greg Roth were looking after the developing U.S. division. At the time, *Erb* was faced with too many loads out of the U.S. to handle through their own trucks. This is when Greg suggested to Wendell to broker those loads to outside carriers. Wendell agreed and the *Erb Brokerage* was born. From its first loads of *Tropicana* juice out of Florida, the *Erb Brokerage* has developed into an important division within the *Erb Group of Companies*. Today, third-party-logistics through the *Erb Brokerage* account for about 25% of the overall shipping volume of *Erb International*.

K-DAC

Operating out of 3025 Sandhills Road in Baden (head office and terminal) and with a small rented facility in Calgary, K-DAC consists of three divisions: K-DAC Expedite, K-DAC Climate Control and K-DAC Transportation and Logistics. K-DAC's main traffic lanes are in Ontario and Western Canada, with about 20% of their revenue coming from runs into the U.S. K-DAC's freight mix is about 40% LTL, with the rest being truckload and dry freight. Other than *Erb*, K-DAC is equipped to haul hazardous goods as well. The 2009 acquisition of K-DAC added about 125 additional employees, about 80 power units, as well as over 120 trailers.





**Vernon Erb
and the *Erb* Culture**

CHAPTER 8



Vernon in 1975.

Doing Things the Erb Way – Foundations of a Distinct and Unique Company Culture

The *Erb Group's* distinct corporate culture is a blend of Vernon's personal values as a man of faith and as an entrepreneur, and corresponding business practices that have developed out of these values over the course of more than 50 years. As Vernon has always led by example, his values have filtered down through the organization. Corporate fleet manager Steve Haus expresses what many people who have worked with Vernon feel: "Vernon is one of those people who just rub off on you." It is a direct reflection on the culture of the company that *Erb* customers often praise *Erb* drivers for their respectfulness, helpfulness, and willingness 'to go the extra mile.' Although still identified with Vernon personally, the underlying values of "Doing things the *Erb* way" have become institutionalized within the *Erb Group*. With Wendell Erb and the executive team providing continuity while constantly adapting the business to the ever-changing parameters of today's market place, these values and best practices continue to shape the *Erb Group* as a second-generation family business and market leader in the North American transportation industry.

Vernon's Values, Business Philosophy and Entrepreneurial Imperatives

Employees and friends who have known and worked closely with Vernon over the years, have identified the following character traits as defining him both as a person and as a successful entrepreneur: honesty and integrity, a deep faith in the Lord, entrepreneurial vision, humility, commitment to family and relationships, loyalty, trust, determination and an attitude of hard work and of doing whatever needs to be done, unconditional commitment to service and customers, generosity, a genuine interest in, and respect for people, patience, compassion, the willingness to work with people and giving them second and third chances, as well as hands-on leadership.

Although Vernon recognizes that he is a value-driven and highly principled person in all his personal and business dealings, he has never spent any significant amount of time conceptualizing or developing a business philosophy as a theoretical model of successful entrepreneurship. Business leadership based on strong beliefs and values is something that has always come naturally to him. Vernon's "golden rule" in life and in business has always been: "Do unto others as you would have others do unto you" [Matthew 7:12]. As a general principle, he has always tried to put himself into the position of others in order to gain an understanding for their views, and to exercise empathy. That same biblical approach has been at the heart of his dealings with customers and employees.

Being a "people person," who takes personal interest in, and appreciates people for their unique differences, Vernon recognizes: "Nobody is better than anybody else. We are all God's children; we are all different and so we have to recognize and accept people for where they come from and [for] who they are." It is this appreciation for people that ensured that no matter how busy he was, Vernon was always accessible to his employees and customers, and that he treated them with respect at all times.

Vernon recognizes that his biblical approach to interacting with people was shaped by his parents. Seeing how his father treated family, friends and customers, how he helped them without expecting anything in return, as well as listening to Sam Erb telling Vernon and his siblings not to retaliate and to be honest at all times, left a deep and lasting impact on Vernon. Not only that, it has clearly found expression in how he built and led his business on a daily basis. Vernon explains: "A lot of what you do in life is determined by the experiences you have while growing up, what you learn at home from your parents as a child, at Sunday school, church or whatever else." This has great influence on your conduct during the rest of your life." Ken Gerber concurs: "I believe the success of this business is due in part to the training and example of Vernon's father and grandfather.

They taught him to work hard, choose wisely and carefully, and to think about others before himself."

Vernon is known to be an easy-going, nice and likeable person, rather than a tough businessman. In spite of having built a hugely successful organization, he has maintained his old "Mennonite farm boy" mentality, which expresses itself in character traits such as humbleness, friendliness, a keen interest and curiosity in people and equipment, etc. Vernon's friend and *Erb* driver Bill MacMillan told him the following story, which is reflective of the way Vernon has been perceived by people who have been dealing with him over the years: back in the early days when delivering eggs to Loblaw's in Toronto, Bill remembers one of the Loblaw's people named Dan saying to him one day: "Do you know Vernon Erb very well? He will never make it! He is too nice a guy to make it in the trucking industry!" He was wrong. Vernon and the *Erb Group's* story is evidence that being nice and being extraordinarily successful in business are not mutually exclusive.

As far as customers are concerned, Vernon has a good conscience about any deal he has made with anyone. He has always tried to be as upfront, honest and fair as possible. He feels he never cheated anybody, without being able to exclude that some of his actions as a businessman might have unknowingly and unintentionally affected people negatively. Wanting to know of any injustice he might have caused, was also a leading principle in dealing with *Erb* employees. Vernon told his associates at different times, "If I have done something wrong, be sure to tell me. Don't go around and tell everybody else. I want to know if I have cheated you or if I have done something that isn't right or if the company has done something that isn't fair." Over the years, there have been occasions when people came forward with concerns, and Vernon was always pleased with knowing that his employees felt comfortable being upfront with him.

Bill Reinders, a sales man for a trailer company *Erb* has been working with for many years, told Vernon at different times that the two best

customers he ever dealt with in all his years of selling trailers to the trucking industry are Bill Mackinnon (of *MacKinnon Transport* in Guelph, Ontario) and Vernon Erb. “You two guys always said it the way it was and we could trust you,” he said to Vernon. Vernon is pleased with comments like that because they reinforce his conviction that the *Erb Group’s* corporate integrity is where he wants it to be. Even though Vernon is not part of the company’s executive any more, he gets excited when hearing from people who are dealing with the *Erb Group* at a professional level today that the values and integrity he established are carried on by Wendell and the management team and continue to filter through the organization from the top down. He is very thankful for senior management and employees sharing his strong convictions and concerns in regards to integrity, honesty, and dedication to service. In that, they are carrying on both his personal legacy and the *Erb Group’s* reputation as a market leader that is committed to higher values rather than mere profitability.



Vernon and Viola in 1985.

While building and operating *Erb Transport* and the *Erb Group of Companies*, Vernon was led by the following core beliefs and entrepreneurial imperatives that define his business philosophy:

1. Be honest and maintain integrity in your business dealings at all times
2. Have a vision, be proactive and carry through with it
3. Gather all relevant facts before making a decision
4. Take a genuine interest in people and treat them with respect at all times
5. Be determined and do whatever it takes to get the job done
6. Be service-focused, listen to customers’ concerns and don’t say ‘no’ to a reasonable customer request
7. Build business success on strong relationships and mutual loyalty
8. Surround yourself with people you trust and can rely on and allow them to grow within the company
9. Only ask employees to do what you would be willing to do yourself and lead by example
10. Be compassionate and give people the benefit of the doubt - everybody deserves a second chance
11. Grow naturally alongside your customers and expand in response to and in anticipation of customers’ needs
12. Reinvest profits into the company
13. Ensuring profitability and growth, while crucially important, is only one aspect of business leadership. Focus on the customer and on service and profitability will come

First imperative: Be honest and maintain integrity in your business dealings at all times.

Honesty and integrity are at the core of Vernon’s business philosophy. His desire to lead by example, combined with the ability to surround himself with like-minded people, has ensured that these important character traits have filtered through the entire organization from

the top down. When back in the 1970’s Vernon caught one of his employees making up a story of a truck having a flat tire to explain to a customer why they were running late, he communicated very clearly that being dishonest with a customer was not acceptable at *Erb’s* under any condition: “Boys, the flat tire is the oldest trick in the book, nobody buys that anymore,” he said. “Just tell the customer the truth, that’s all I ask. With anything that goes wrong, you tell them the truth. If you tell them the truth, you don’t have to remember the lie.” Floyd Gerber who has known and worked with Vernon since the 1960’s, adds: “It never crossed my mind that Vernon would ever do anything dishonest to get me, any other employee, a supplier or a customer to do something he wanted. That’s how he was with all his business contacts.”

Second Imperative: Have a vision, be proactive and carry through with it.

Although Vernon maintains to this day that he never had any idea that *Erb* would get as big as it has become, he had a vision of a unique business model from early on. This vision was built on two pillars: seizing opportunities by making strategic purchases of PCV licenses and specializing in LTL and DSD services for refrigerated goods. Whether it was staying informed about available licenses at all times, going to Detroit and meeting Saul Lederer who held the unrestricted refrigerated license that became so crucial for *Erb’s* success, or deciding to make a major capital investment into that license which went way beyond *Erb’s* financial capabilities at the time, Vernon not only had a vision, but he always took steps towards turning it into reality. A key component of Vernon’s vision from early on was growth: from identifying and acquiring new customers in order to assemble return loads and thus avoid empty lanes, to building a company presence and eventually an entire terminal network across Ontario, Quebec, and the United States – Vernon was always willing to invest creative thinking, time and resources into making his company better at providing exceptional services to his customers. Vernon’s unique



Vernon in the 1980’s.

business model of providing direct store delivery (DSD) and less than truckload (LTL) services to the food industry distinguished the company from early on and became a key contributor to its economic success.

Third Imperative: Gather all relevant facts before making a decision.

Throughout his many years as company president, Vernon was never known for being a quick decision-maker. A strong believer in making only informed decisions, Vernon did not move forward on any issue until he felt that he had gathered all relevant facts. Although this approach sometimes made things difficult for management, Vernon was usually right when finally making the decision. Furthermore, Vernon managed by consensus, meaning that he wanted to make sure that he got input from everybody in management. To the best of his ability, he wanted his managers to be on the same page when the decision was made. Floyd Gerber explains: “When after talking to Vernon you weren’t sure if you got a green light or not, it made you look at things again. Many times it was a good thing to have some time pass between introducing and implementing an idea, because often enough you changed your mind in the meantime.” Steve Haus adds: “Although it could be somewhat frustrating at times when you were looking for a decision and Vernon was never in a hurry to make that call, when he finally made the decision, he was hardly ever wrong.”

Fourth Imperative: Take a genuine interest in people and treat them with respect at all times.

Employees, customers, suppliers and friends alike have always appreciated Vernon for taking a genuine interest in people and treating them with respect at all times. He looks at *Erb*’s many associates as members of “the *Erb* community,” which in his view is inherently different from just being employees of a company, as it includes the notion of relationships. A driver at heart himself, Vernon can appreciate firsthand the kind of sacrifices drivers have

to make on a regular basis and what they sometimes have to put up with. Most importantly, Vernon has no problem expressing his appreciation for employees’ many contributions to them or others.

Many *Erb* employees, when asked for their most memorable experiences at *Erb*, refer to meeting Vernon for the first time, him showing a personal interest in their lives, or recognizing them personally for their hard work. Corporate Driver Trainer/Auditor Radford Radke reflects: “Once when I returned back to New Hamburg on Christmas Eve in 1993, it was around 10:30 p.m. and three other drivers were also there completing paperwork. This is when Vernon walked in and said that he knew we were still out and that he was happy to see we had all made it home safely and that he wanted to wish us a Merry Christmas. To me, that meant a lot.” Brian Robertson, driver and driver assessor in Thunder Bay, concurs: “When I first started with *Erb*, I met Mr. Erb (Vernon) in the New Hamburg Terminal. We sat in Steve Haus’ office and he showed great interest in some photos of the tour buses and groups of passengers that I used to drive around in Scotland. The fact that Mr. Erb sat down with me and spent up to a quarter hour of his time, made a great impression on me. That’s why I am sure I have spent the last eleven years working for *Erb*. All members of the Erb family show a great sense of respect for their employees.” In a similar manner, Alain Beaven, driver in Thunder Bay, described his best *Erb* memory as “meeting Vernon and Viola for the first time and realizing how down to earth and caring they are.”

Fifth Imperative: Be determined and do whatever it takes to get the job done.

People who have worked with Vernon over the years have noted his special determination and focus on “getting the job done,” to never quit and give up even in view of seemingly insurmountable challenges. Whether it is Vernon forgetting to eat and carrying on work until the task at hand is completed, staying the course during the company’s most severe challenges in the late 1980’s



Vernon skiing in Whistler, 1989.

and early 1990’s, or getting back up after falling and trying it all over again during his first exposure to skiing in the Rockies in 1989, there are many stories that attest to Vernon’s determination and focus on the task at hand. Kevin Cooper, Senior V.P. of Canadian Operations and Finance, remembers travelling with Vernon to the newly opened Ottawa, Montreal and Trenton yards in the mid 1980’s: “I can remember travelling with Vernon to these new terminals back then. We made many customer and terminal visits and the days tended to be long. That wasn’t an issue until meal times when the trucking world conflicted with the accounting world. Accountants like a regular eating schedule, while truckers often eat when they can. Well, we’d be visiting or traveling and 6:00 p.m. would come (and go), 7:00 p.m. would come (and go), 8:00 pm.... well you get the picture. Being new to the company I did not want to say anything, but eventually I’d meekly ask: ‘Vernon, were you thinking of stopping



Vernon and Viola skiing in the Rockies in 1989. L to R: Vernon and Viola, Bill and Maureen Wills, Janet and Ed Wills.

for supper soon?’ at which point he would apologize profusely for forgetting my delicate stomach (my words, not his) and we’d find a place to eat. Good times, great memories.”

“Daring and Determined in Business as in Recreation,” was V.P. Domestic Operations Bill Wills’ characterization of Vernon after accompanying him on his first day of skiing in Whistler in 1989. A newcomer to skiing, Vernon was somewhat unceremoniously catapulted out of the ski lift on the top of the mountain. It did not stop him, however, from completing his first run, “descending at ever-increasing speed,” and “[not quitting] merely because of a bruised back, twisted ankle, sprained arm and a battered knee.” When Bill Wills saw Vernon emerge from his first completed run with various “battle scars”, he was sure that Vernon would pack it in: “but no, Vernon announced that if he hurried he could get in two more runs



Celebrating 30 years of Erb in 1989 with long-time suppliers. L to R: Bruce Boucher (owner of Boucher Fuels), Viola Erb, Ray Pasnyk (Sales Person at Kirby International), Jack Kirby (owner of the Kirby International dealership in Kitchener), Vernon Erb.



L to R: Ken Gerber, Ron Ninnis (owner of the Thermo King dealership in Toronto), Rick Hoyle (owner of Cummins Ontario), Jack Kirby (owner of Kirby International in Kitchener).

before closing. Suddenly, I realized why *Erb Transport Limited* was successful after 30 years. The characteristics of Vernon Erb are still there – ‘daring’ and ‘determined’.” (Bill Wills, *Erban Report*, Summer 1989, page 11).

Sixth Imperative: Be service-focused, listen to customers’ concerns and don’t say ‘no’ to any reasonable customer request.

Being 100% customer-oriented and committed to customers’ needs and success, Vernon never said ‘no’ to a customer’s reasonable request for anything. Kevin Cooper explains: “The most important thing for Vernon has always been that the customer is happy and serviced well and Vernon would only worry about everything else later. That was a very strong component of his overall success as an entrepreneur.” Bruce Jantzi similarly attributes the *Erb Group’s* overall success to Vernon’s core focus and dedication to customer service: “Vernon, as long as I can remember, never wanted to say ‘no’. He was always willing to look after his customers and their growing needs for transportation. I think that’s why he grew to the size that he did because his customers made him grow. They liked the service and, of course, kept giving him more and more business; so *Erb* just automatically grew as well.”

A very laid-back person, Vernon was never argumentative with customers. When confronted with a customer’s concern, he would listen and validate the person’s feelings, rather than becoming defensive. The way he dealt with situations of potential conflict attests to Vernon’s unconditional commitment to serving his customers. Kevin Cooper explains: “The thing I have learned particularly from Vernon over the years and have applied myself many times is the way that he dealt with conflict. When he was in his office and would get a call from an irate customer, his response was to listen. He did not interject, he did not defend himself; he listened to the customer until the customer had nothing more to say. If he did not know about the

issue, Vernon would reply: ‘I understand how you feel. I’d really like to help out here. Let me investigate and I will get back to you.’ Or if he knew about the issue he would explain it. Vernon diffused many potential conflicts by using that approach.”

Seventh Imperative: Build business success on strong relationships and mutual loyalty.

Being a person who values relationships above anything else, Vernon built the success of his company on long-term relationships with employees, customers, business partners and suppliers. In the early days, his strong relationships with Milo and Ross Shantz (Shantz Processing), Walther Hachborn (Home Hardware), and others, were instrumental in *Erb* exploring many new opportunities. Equally, Vernon established many long-term relationships with individual buyers and traffic managers at the various meat-packing plants and grocery chains who relied on his services for their transportation needs. Towards the same end, Vernon has built, and the *Erb Group* has maintained long-standing business relationships with suppliers of equipment, such as *Bast Tire*, *Kirby International Trucks*, *Thermo King*, *Glasvan Great Dane*, *Harmann Automotive*, *KW Spring and Suspension Ltd.* and others.

For Vernon, loyalty has always been a two-way street. The same way that he expected his customers to be loyal to his company, he stayed loyal to his suppliers as well, always honouring long-standing relationships. Steve Haus explains: “Vernon’s whole approach to customer service, to his people, basically to anyone we have dealt with over the years, is built on relationships. When we have a supplier that we like, we stick with them. We’re not jumping to a different supplier every week because the other guy might be a Nickel cheaper. It’s all long-term relationships. We’ve got suppliers that stuck with us when we experienced financial difficulties back in the early 1990’s. We still have those suppliers today. That was Vernon’s way of doing business and we never had any trouble with that.”

Eighth Imperative: Surround yourself with people you trust and can rely on and allow them to grow within the company.

From the earliest days, Vernon was always able to attract people to his company that shared his values and that he felt he could trust any time. It is no surprise that there is such longevity at *Erb*, with many drivers, dispatchers, yard and dock workers, as well as office staff, having been with the company for over 30 years. Senior executives as well have grown with the company, usually having started out at the dock or on a truck and looking back on careers at *Erb* that have lasted for three decades and more.

Vernon’s faith and trust in his people and his commitment to creating an environment in which employees can grow with the company, is reflected in unconventional career patterns at *Erb’s*. Many *Erb* associates have been moving around within the organization, taking on new responsibilities and, with the help of the company, have become specialists in new fields, such as HR and IT. It is not a coincidence, but rather an expression of Vernon’s trust in peoples’ abilities that the HR department was built and led for many years by Floyd Gerber, a former driver. The same applies to Vic Thiessen, who built *Erb’s* IT department and today serves as V.P. Information Technology. Throughout the *Erb Group*, there are many examples of former truck drivers having moved into office and management positions and vice versa. When a driver had to come off the truck for health reasons, it was never a far stretch for Vernon to rely on that person’s expertise on the dock or in the office. John Jutzi explains: “Vernon and Viola were always open to new ideas and willing to accept challenges. We were allowed creativity before it became the catch-word that it is today.”

Vernon has put a lot of faith and trust into people over the years. This extends to maintaining contact and an open line of communication with former employees who decided to leave for employment outside

of the *Erb* organization. Based on the realization that people need to follow their passions and explore opportunities that look promising to them, Vernon never held a grudge against those former employees. To the contrary, he always made sure they knew that the door was open for them should they decide to come back to *Erb* at some point in the future. There are many examples of long-time *Erb* employees in highly responsible positions across the entire network that returned to *Erb* after trying something else for some time and realizing that *Erb* was the better fit for them.

Ninth Imperative: Only ask employees to do what you would be willing to do yourself and lead by example.

Vernon is known to be a hands-on entrepreneur who leads by example. As a matter of principle, he never asked employees to do something that he would not be willing to do himself. Many times, even after having become the president of a large successful company, leading by example meant that Vernon would change his plans, jump onto a truck and take a load to a customer when they were short a driver. At other times, he would be out on the dock helping dock crews load trucks that needed to get out on the road as quickly as possible. It was not uncommon for Vernon, when arriving at the New Hamburg facility early in the morning and noticing product sitting at the dock, to throw a white coat over his suit and tie, grab a wheel cart and help his people load the trucks. Vernon reflects: “There were very few days I was not asked if my day was planned, or if I could take a local delivery run, or do a trailer switch with another driver, when I came through the dispatch office in the morning. Some days, I could change my plans and help out as a driver, and other times I could not.”

When joining employees on the dock and helping them load, Vernon just wanted to be another hand that contributed to getting that truck on the road a little faster. At the same time, his motivation was to encourage his people on the dock, who had been working ceaselessly throughout the night. Just seeing Vernon help them load the truck

left lasting memories for many *Erb* associates. North Bay driver, John Gascho’s, best *Erb* memory has been “seeing Vernon out peddling when it got busy, showing all concerned that he was all about working with the same enthusiasm he expected from his employees.”

Bruce Jantzi shares a similar experience: “When I used to work on the dock, there were many times that we were so busy that we had fallen behind. Every morning Vernon would be out there with us, throw his white coat on and help us load the trucks. Just seeing him out there pushing a wheeler made you want to work even harder. A lot of those little things definitely made everybody in the company a lot stronger. Our shared ‘farm boy’ mentality meant that we were all willing to work hard.” Baden driver Kirk Wittig still remembers meeting Vernon for the first time shortly after starting at *Erb*: “I was helping load my straight truck on the dock in the morning. A fellow came and offered to help me. I didn’t know him, but later on after getting done and waiting for my manifest I found out it was Vernon.” There are numerous other examples of Vernon’s hands-on leadership inspiring people.

Tenth Imperative: Be compassionate and give people the benefit of the doubt - everybody deserves a second chance.

Vernon is known for having patience with people as well as for being very compassionate. As a result, part of Vernon’s personality and corresponding leadership style has been to give people the benefit of the doubt and second (and third) chances. Vernon’s faith-based belief in the value of people and his willingness to trust them until proven wrong is reflected in him standing up for one of his drivers when the latter’s responsibility as a professional driver was challenged by *Erb*’s group insurance agent, due to that driver’s personal history. When the insurance agent wanted to cut the driver off his professional insurance based on rumours about risky behaviour in his private life, Vernon asked: “What kind of evidence do you have that he



costs you money?” Vernon insisted that the driver had never done anything wrong while working for *Erb*, and that way made sure that he remained part of the group insurance and did not lose his job. “He has never caused a claim,” Vernon remembers.

Similarly, Vernon was never quick at letting people go for having made mistakes. Realizing that mistakes do happen in a large organization and fast-paced environment such as *Erb*’s, Vernon always encouraged employees to take responsibility and address problems immediately rather than trying to hide mistakes for fear of negative consequences. His approach to giving people second chances and working with them to avoid similar mistakes in the future has become a significant part of the overall *Erb* culture.

Eleventh Imperative: Grow naturally alongside your customers and expand in response to and in anticipation of customers’ needs.

One of Vernon’s key strengths has been that he has grown the company alongside key customers. When customers expressed the need to go into new areas where *Erb* had no presence yet, he grabbed the opportunity and expanded *Erb*’s scope and radius of service. As a result, the history of *Erb* is a story of gradual growth in response to new opportunities. Vernon’s growth strategy has been in parts proactive and in parts reactive, yet in all cases it was built on the realization that there was an already existing or anticipated customer need for additional services in a certain area. Building strong relationships with customers and honouring them at all times was a key component in this particular approach to economic growth. To Vernon, relationships, while being indispensable for growth alongside loyal customers, were never simply a means to an end.

The evolution of the *Erb* terminal network illustrates Vernon’s successful growth strategy. As long as volume remained relatively low while *Erb* was building a customer base in a certain area, Vernon limited his company’s presence to one driver and a truck before establishing a terminal. Most terminals of the *Erb* network originated in the 1980’s, when dramatic volume increases and the opening of many new lanes required a more permanent company presence in various parts of Ontario, Quebec and the U.S. Listening to his customers and being willing to accommodate their efforts to expand their product distribution range into new areas were key in Vernon’s ability to grow his company over time. Acquisitions of other companies, such as Laurier Transport, DCA Transfer, and K-DAC, were made based on the same premise of increasing capabilities in certain regions in order to serve *Erb* customers better.

Growth, while being an important part of Vernon’s entrepreneurial vision from early on, was never a goal in itself though. Rather, it was

a means to an end, with the end being the ability to provide superior service to the customer. Steve Haus elaborates: “The whole thought process of the company has always been that we never wanted to be the biggest; we just wanted to be the best.”

Twelfth Imperative: Reinvest profits into the company.

Throughout more than five decades as an entrepreneur, Vernon was never driven by the goal of making a lot of money. Even today, as an accomplished business man, he only spends as much on himself as necessary for him and Viola to live a comfortable life. Vernon never aspired to owning a Mercedes, boat, cottage or big representative home. Instead of spending company profits on himself, he always put the money right back into the company, making major investments into infrastructure, such as the fleet, *Erb's* extensive terminal network, or strategic acquisitions of other carriers.

Kevin Cooper reflects: “If you want to use one word to characterize us financially, I would have to say we are conservative. That more conservative stance has served us well. We make continuous investments in our equipment and infrastructure, but we don't run out and buy things, we don't buy companies or overspend on equipment.” Even Vernon's only cost-intensive hobby of collecting and restoring old trucks and farm tractors has been to the benefit of the company, as the *Erb Group* owns the antique trucks and construction equipment that makes up the core of the antique division. V. P. International Operations, Bruce Jantzi, comments: “By putting money into the antique collection, Vernon is finally enjoying some of the fruits of the labours of his hard work. He definitely deserves that after all those years of working virtually around the clock and putting the money back into the company.”

Thirteenth Imperative: Ensuring profitability and economic growth, while crucially important, is only one aspect of business leadership. Focus on the customer and on service and profitability will come.

Although Vernon, throughout his many years as an entrepreneur, never lost sight of the goal to make and keep his company profitable, he never compromised on any of his other values in order to turn a quick profit. Unlike many publicly-traded companies, the *Erb Group*, both under the leadership of Vernon and Wendell Erb, has never tried to “milk every last penny” for profit. Vernon, Viola and now Wendell, although knowing that profit is imperative for being able to make investments, pay dividends, afford pay raises and keep the banks happy, have never operated on an aggressive economic growth philosophy. Constantly squeezing suppliers or customers for more money would have been incompatible with Vernon's core values. Instead, Vernon has been led by the conviction that if he put his customers' needs first and stayed focused on providing excellent service that distinguished his company in the market place, profitability would follow somewhat naturally. The overall success of the *Erb Group* attests to the validity of this conviction. Kevin Cooper explains: “Vernon and Wendell alike want to see the customer serviced, they want to see the employees do well and be happy, and they want to make profit. These three objectives seem to carry equal weight for them and they always have.”

The Erb Company Culture

Although difficult to define in all its details, company leadership, employees, customers and suppliers agree that there is a distinct *Erb* culture, which can be best described as a service-, people- and value-based corporate identity and way of doing things. Dave Dietrich explains: “[*Erb* is] like no other company I've worked for. It's a large company with over 1,300 employees now, number 22 in the total fleet size of all trucking companies in Canada, but it still very much





has a small company feel. There's the respect for family, respect for the employees, and strong customer service values. It is just a very unique culture that makes people want to stay with the company."

Bruce Jantzi agrees that *Erb* is unique and that its culture can only be truly experienced from within the organization: "Education is good, but you also need the practical side of the *Erb* education, because we are a different, unique and complex company. New people who are coming into the organization often notice right away that the *Erb* culture is different."

For Vic Thiessen it is the value of the person that is at the heart of *Erb's* corporate culture: "People I hire from the outside tell me that they instantly notice the difference between us and other companies they may have worked for in the past. The common comment is that

what makes *Erb* stand out is the value of the person we demonstrate here. I am not saying that there aren't other companies that may be built on that same value, but that is the common comment we get. We don't think any different. For us, it is just how we do things. We value the person."

What is unique about *Erb's* respect for people and the company's commitment to putting their customers first, is that these core imperatives and the underlying values of the "*Erb* culture" are based on the biblical values of Vernon as the Group's founder. John Jutzi explains how *Erb's* culture was formed by Vernon's personal faith: "Mr. Erb recognizes God's creation, that we are all equipped with certain gifts and that we are unique in that way, yet that in spite of serving in different roles and functions, we are all equal. I think that was the message he was able to impart to all of us; and it was not

new to those of us that shared that same background." Leading by example, *Erb's* leadership team has been able to maintain these, Vernon's biblical core values, while embracing diversity across the organization at the very same time.

Wendell Erb explains how the Christian principles that his father built the company on, are guiding him as a second-generation family entrepreneur today: "I know our company was built on Christian principles. I truly believe that a lot of how I run the company is a reflection of the example that my father left for me: 'to be honest, to do the job right and to do it well'. We have tried to demonstrate that throughout our corporate existence and that is the one thing I would like to see continue on: that we keep operating with total integrity, that we are above board at all times, that we are honest with our customers and employees and that we say it the way it is."

The Erb family traveling around and sharing Vernon and the family's values and company culture with their associates has been an important part in conveying *Erb's* values to employees across the organization. Many long-time team members as well have been instrumental in helping establish *Erb's* corporate culture. Through their actions they continue to ensure that the values that define *Erb* keep permeating through them into all parts of the *Erb* community. Although recent hires at new terminal locations may not have the same connection to *Erb Transport*, to the Erb family and to the company's unique culture and values, the institutionalization of core values through company policies and procedures defines their work environment on a day-to-day basis. Combined with the accessibility of leadership and management and the presence of many long-term people who have grown with the company across the entire network, this institutionalization of values ensures that Vernon's personal beliefs and entrepreneurial imperatives carry on throughout the organization both as his personal legacy, and in the form of day-to-day guidelines for "doing things the *Erb* way".





Family Entrepreneurship

CHAPTER 9



Three Generations - Wendell, Vernon and Grandpa Jake Gingerich (Viola's stepfather) in the A.W. Jantzi yard in Wellesley in 1967.

A Family-Owned and -Operated Business

From the earliest days of the company to today, the *Erb Group of Companies* has been a family-owned and -operated business. The family character of the organization is reflected through family leadership, now in its second generation, the involvement of all of Vernon and Viola's three children, several grandchildren, and other family members in the business. Not surprisingly, family entrepreneurship has remained a key value at *Erb's* in spite of the considerable size to which the company has grown over time. Family values, such as respect, trust, approachability, the willingness to contribute and help out with whatever is needed, further defines the relationship between the Erbs and the Group's many associates.

Growing up in a Trucking Family: Karen, Wendell and Darryl's Early Experiences

Being the children of entrepreneurs, Karen, born in 1960, Wendell, born in 1962, and Darryl, born in 1968, grew up in a household where *Erb Transport* was ever present. Many of Karen, Wendell, and Darryl's earliest childhood memories involve the company in one way or another. "[The company] was always there", Karen states. Karen in particular, has many memories of the early days, when Vernon and Viola ran the company out of their Wellesley home and when there was no real separation between home life and the business. Karen, a little girl at the time, knew all drivers by name. In those days, it was not unusual to see drivers in the Erb's family home. *Erb's* first employees, Ken Gerber, Harold C. Gerber, Harold J. Gerber, Floyd Gerber, and Delton Erb, often parked their trucks in front of Vernon and Viola's house and did their paperwork at the Erb's home. Darryl's earliest memory is the phone ringing next to his crib, as his room served as the company office during the daytime. "It was a black phone that was well used," he states with a laugh. "The first terminal was in our house and my bedroom was the office."

While *Erb* was operating out of the Wellesley Cider Mill, the two older children often spent their time fishing in the Wellesley pond or playing on the premises while Vernon serviced his trucks. It was there that Karen learned to crank the dolly wheels. She also remembers playing in tires as well as with the egg crates that were used in her Dad's daily egg-trucking operations.

Growing up with parents who owned a trucking company allowed the children to go to many places with their Dad. They share many stories of spending time with Vernon on the truck. In the spring of 1961, when Karen was just a baby, Viola and Karen went along with Vernon on one of Sindall's new Ford trucks to Pennsylvania, where they visited with Viola's twin sister Violet and her husband Titus, while Vernon made a delivery in Philadelphia. After dropping Viola and his

baby daughter off at the relatives in the middle of the night, Vernon continued on into Philadelphia. He remembers this trip in particular because during his drive to Philadelphia, his truck broke down on the turnpike at about daybreak. After he pulled over and got out of his truck, he walked up the bank and sat down to figure out what to do. As he was thinking about what his next move would be, he realized that he was sitting right next to a snake. "I'll tell you, I was down that bank real quickly," Vernon comments. After getting the truck fixed, he made his delivery, and picked up Viola and Karen. On the way back to Canada, they hauled a load of New Holland machinery to Ottawa before coming home again. This was Karen's first trip on the truck; she was not even a year old at the time.

Though Karen has no memory of that first trip to Philadelphia, she does remember riding with her Dad on the gravel truck as a little girl. One of Karen's most remarkable early experiences relates to accompanying her Dad on the feed truck. One day, Vernon invited his daughter to go on a run with him on his R 190 tandem bulk feed truck to deliver feed to farms in the area. It was a holiday Monday and Vernon was filling in for their regular driver. Being a feed delivery truck, the R 190 had a relatively complicated setup with several compartments that were used for delivering product into the different feed bins at the farm. Vernon and Karen were at one of the Shantz farms unloading feed, when suddenly, the rope that held the tarp down got stuck in the feeding mechanism that transfers the feed into the blower, which then blows the feed into the bin. The caught-up rope prevented the cylinder from going around, stalling the entire process. Vernon tried everything possible to free the rope, but because it had a full load of feed on it, it was impossible for him to get down to the cylinder. Vernon asked Karen to stay in the back of the truck and pull on the rope while he tried to free the cylinder so that it would move backwards and free the rope as well. As Vernon was putting his plan into action, Karen was becoming increasingly upset about having to stand in the back of the truck and getting covered in the dusty feed from head to toe. Although they

finally succeeded and were able to complete the delivery, following that experience, Karen was never too anxious to join her Dad on the feed truck again.

While growing up, Karen, Wendell and Darryl grabbed every opportunity to ride along with their Dad. After the company had moved to New Hamburg, Karen and Wendell often biked from the family's home in Wellesley all the way to New Hamburg to catch a ride with Vernon. In the early years, most truck rides the children went on started or ended at Checkerboard Farms in Ingersoll where Vernon was loading or unloading turkeys. Karen remembers spending several Sunday afternoons at Checkerboard Farms checking the reefers, helping to unload the trucks, and loading boxes onto the dock or onto another truck. "We did that a lot," she says with a smile. Wendell remembers picking up loads with his Dad after supper on various occasions, or his Mom driving him and Vernon down to Ingersoll to pick up a truck at Checkerboard's. While spending time with his children on the truck, Vernon instilled in them a healthy fear of any button, knob or lever; Karen, Wendell and Darryl knew they were not supposed to touch them while they waited, sometimes for a long time, until their Dad returned from the Shantz Processing dock and office. Looking back, Karen is amazed that they never drove away while waiting for him. Later on, Vernon would often take the boys on week-long trips, particularly during the summertime, when the company was so busy that Vernon and Viola were not able to take family vacations. Instead of an extended family holiday, Vernon would have the boys join him on week-long trips to Thunder Bay, Montreal or elsewhere.

Darryl remembers riding with his father many times in the truck. Being a little boy, he would sit "on the dog house" between the driver and the passenger seat. Whenever they went up hills, he would shift or switch buttons for Vernon: "Being with Dad in the truck so many times, I always watched him shift gears and drive and release the brakes. Even as a little kid, I knew what everything was for. I would sit 'on the dog house' and help him steer while he was on the road."



Turkey delivery or pickup at Checkerboard Farms in Ingersoll - LeEtta, Rodrick and Roland Erb in front of the Erb truck, 1970.



Darryl in the office in 1974.

Darryl was already moving trucks around in the New Hamburg yard before he was even 10 years old. "When I was about 9 years old, we had this old Fleetstar; it was a single axle truck, it might have been number 339, and I was pulling it out of the yard in New Hamburg. I was not tall enough to sit and had to stand, otherwise I could not have reached the pedals. I pulled it out of the yard and didn't hit anything. Being a little guy at the time, it took a lot for me to pull the clutch and hold on to the steering wheel at the same time." Wayne Baechler confirms: "He could back them in, I'll tell you. When his Dad was trucking, Darryl was backing [the trucks] in."

As was to be expected for a family that owns and operates a trucking company, trucking was ever-present in the children's lives. When going on a drive in the family car, the children would pick a certain make or model of truck and start counting how many of their respective brand they saw on the road; whoever counted the most was declared the winner. As was the case in the car, conversations at the family dinner table would often involve trucking matters as well, as Vernon's was a 24/7 job and there was always something interesting happening at the company. During family vacations, the Erb's would often stop to check out other trucking companies or for Vernon to meet with customers.

Viola and the children learned very early on to never plan too far ahead and to always be prepared for changes. Family plans were often altered on short notice due to unexpected business or customer demands. Knowing that a sudden breakdown of a truck or any other business emergency could cause their plans to change, Vernon and Viola made a habit of not informing their children of travel plans until the very last minute. As a matter of principle, Vernon and Viola decided to keep planned trips and other family activities a secret to avoid disappointing their children in the event that the trip had to be cancelled because Vernon's presence was required in the business.

The children's many great experiences of driving with their Dad compensated for all of the times that family plans were changed because a reefer broke down or Vernon had to work late for any number of reasons. Karen, Wendell and Darryl accepted these disappointments as being a part of a family whose lives revolved around trucks and the family business. Wendell reflects: "It was just a way of life. As far as I was concerned, I did not even know what we were missing, if we were missing anything at all."

Looking back, Vernon feels a deep appreciation for the sacrifices that Viola and the children made so that he could follow his passion in building the company: "It was by no means a life of ease and pleasure," he reflects. "I must say I appreciate the patience my family had with me over the years. Many families have plans to go on vacation or take a day to do different things. Many times we had those plans as well, only to have them cancelled because of an emergency that I thought I had to be at. I am a little concerned that sometimes our family did not operate like a lot of families that would plan things together and carry out their plans. At times I am sure our kids had to be disappointed because we had to cancel outings at the last moment because of Dad not being able to be there. I feel that we did the best we could for the family and for the company."

Karen, Wendell, and Darryl's First Jobs in the Company

When in 1969 *Erb* moved operations from the Wellesley Cider Mill to the former John Deere Dealership, Karen had her first paying job there, filling the pop machine and sweeping the floors. Her wage was usually a quarter and a pop. Vernon also entrusted her and a friend with waxing a truck for an entire day. Only years later did she learn that the truck had to be re-waxed after the two girls had finished their task.

Wendell's first "real" job in the company was mowing the lawn at the New Hamburg terminal for \$2.25 an hour. His younger brother



The Erb family in the late 1980's. L to R: Wendell, his wife Cheryl with Kyle, Vernon, Viola, Darryl, Karen Buhr with Erick, Gerald Buhr with Justin.



Wendell sitting right next to his Dad at this 1975 dock training meeting inside the new dock.

Darryl's first assignment was to pick purple stones in the yard, a task assigned to him by Ernie Fink. To Ernie's great amusement, Darryl returned from that job with empty hands. Later on, he was asked to mow the lawn for his first "real job" in the family business.

In 1976, Wendell graduated from grade 8 and was available to work for the summer. That is when his parents decided that it was time for him to work on the dock loading trucks. Vernon, Viola and their children were still living in Wellesley at the time. Roger Zehr would come and pick up Wendell at 6 p.m. for his shift and dock foreman Wayne Steinmann would bring him home the next morning. With Roger being the first one in and Wayne usually being the last one to leave, Wendell ended up putting in a lot of hours that year. "It was quite a learning curve," he remembers, "because here I am, a skinny little kid coming out of grade 8, and we were carrying hinds of beef and fronts of beef that probably weighed as much as I did at that time." In addition to working at the dock and in the yard when he was off school during the summer, Wendell worked Fridays after school washing and shunting trucks throughout the school year.

Karen Joining the Company

During her teenage years, Karen worked in the office. She then went to Winnipeg to continue her education, and when she came back, she became involved in the office again, typing pro-bills on a manual typewriter, writing, separating, filing, etc. Although Karen, unlike her brothers, did not join the company as a driver when she graduated from high school, she nevertheless had her own trucking experience as well. When she turned 18, she drove a truck to Burns Meats. Not being able to back it up, Darryl who was 10 years old at the time backed it up for her. Vernon was sitting beside his daughter while she was driving, because he had to shift for her. Karen drove the truck on two other occasions as well. One time, she drove an automatic truck home from Windsor, the other time she drove to J.M. Schneider's in Kitchener. "Driving trucks, that was not my thing," she reflects. After

she became a parent, Karen worked part-time in the office, including taking on roles in the accounts payable and collections departments.

Wendell Joining the Company Full-Time

A trucker at heart, Wendell, at age 17 and even prior to getting his truck license, was already driving trucks on the weekends. A significant number of *Erb's* customers were located in relatively close proximity of *Erb's* New Hamburg location, such as Burns Meats and J.M. Schneider's in Kitchener, *Tenderfresh* in Petersburg and Piller's in Waterloo. On Saturdays, Wendell would make a number of local runs to pick up loads from these and other local customers and take them back to the New Hamburg dock.

When he finally turned 18, Wendell got his AZ trucking license. He estimates that by that time, he had probably already driven about 10,000 miles on the truck. On the day the driving test was scheduled, Vernon drove tractor 339 out to the license office. Wendell's friend Kevin Shantz, who is still with *Erb* today, and Wendell followed in Vernon's car. When they got to the license office, Vernon dropped the tractor off and drove his car back to the company, after saying to Wendell and Kevin: "Between the two of you, one will probably get his license; so there is no need for me to wait around here." Wendell and Kevin both passed their drivers test that day. Wendell remembers: "To give you an idea of how naïve we were back then and how much things have changed, as we were doing the road test, the inspector, a lady, gets into the truck and sits down in the passenger seat which has dust all over it and reaches for the seatbelt that had an inch of dust on it. When I noticed her doing that I asked: 'Oh, do I have to put a seatbelt on while driving truck?' 'Yes you do sir', she said. I put my seatbelt on and I am sure that those seatbelts had never been worn before."

Wendell joined the business as a local driver after graduating from high school. One Tuesday afternoon in June 1980, after writing his

last high school exam that same morning, Wendell went into the office and told *Erb's* dispatcher Ernie Fink: "Ernie, I am ready to start driving full-time now." Glad to have another driver, Ernie assigned him truck 137 and Wendell went on his first run, hauling a load of Tenderfresh Poultry from Petersburg to *Kentucky Fried Chicken* stores in Toronto. Wendell had about 12 individual deliveries of fresh, ice packed chicken on that trip. By the time he had made his last delivery in Georgetown, his left knee was hurting from double-clutching all day. When the truck was empty, he drove home. As he pulled into the yard in New Hamburg to stop at the fuel pump, Vernon came out and said to his son: "Good job. When were you going to call us to let us know when you were empty?" "Oh, did I have to do that?" Wendell asked. "Yeah, we had a pickup at *Maple Lodge* right around the corner for you," his father carried on. "I never forgot to call in empty again," Wendell emphasizes.

After going into Toronto and making numerous deliveries across the city for another full week, Wendell's left knee was sore from all the double-clutching. By the end of his second week of driving full-time, he decided that it was time for him to learn how to shift without using the clutch. Wendell quickly acquired the necessary skill of shifting gears by matching the RPM and the gears without using the clutch.

After obtaining his AZ license and joining the company full-time as a driver, Wendell did a lot of straight truck and local tractor work at first. Naturally, he found himself at the bottom of the driver seniority list, which gave drivers choices on runs. Wendell had several drivers ahead of him who had first picks on loads, and he would get whatever was left.

Throughout the early 1980's, Wendell spent much of his time loading frozen foods at Campbell's Soup in Listowel and taking loads into Toronto. Every day, he drove a different truck and covered a different route. While gathering experience on those short runs, Wendell was always driven by the desire to eventually get into extended highway

trips. It was during the wintertime that he finally had the opportunity to make longer hauls. With several of *Erb's* drivers being from the Woodstock and Tavistock area, they sometimes could not get to work on time during bad weather in the winter. On those occasions, *Erb* dispatchers, knowing that Wendell was living just across the street from the terminal, would offer him many last-minute loads to Ottawa and elsewhere.

In November 1982, an opportunity arose for the *Erb's* to purchase an International 1979 Transtar for Wendell. When the repossessed truck came up for sale through a financing company, Vernon suggested that Wendell buy the truck as his own and lease it back to the company. That way Wendell would have a tractor that he could call his own. After rebuilding the engine, that Transtar became Wendell's tractor for several years.

On January 1, 1983, Wendell turned 21 and began running into the United States. During his year-and-a-half as a cross-border driver, Wendell hauled eggs, carrots and other freight to Abbeville (Alabama), Zanesville (Ohio), and Milton (Delaware). Other destinations in the U.S. included Florida, Pennsylvania, and Berlin, Maryland, where *Erb* had a customer who was shipping fresh chicken to Loblaws in Toronto. Remembering those early trips into the U.S., Wendell states: "There was no such thing as hours of service in those days. You just drove and drove and slept when you got a few minutes here and there."

Darryl Joining the Company Full-Time

Like his father and older brother, Darryl is a truck driver at heart. He began driving for *Erb Transport* straight out of high school as well. When he joined the company in June of 1986, he did local runs and deliveries and pickups in Toronto at first. At the time, it was mandatory to haul locally for a period of time before being allowed to get into long-haul highway trucking. Darryl did not mind the local work, but could not wait for the time that he would get his first real



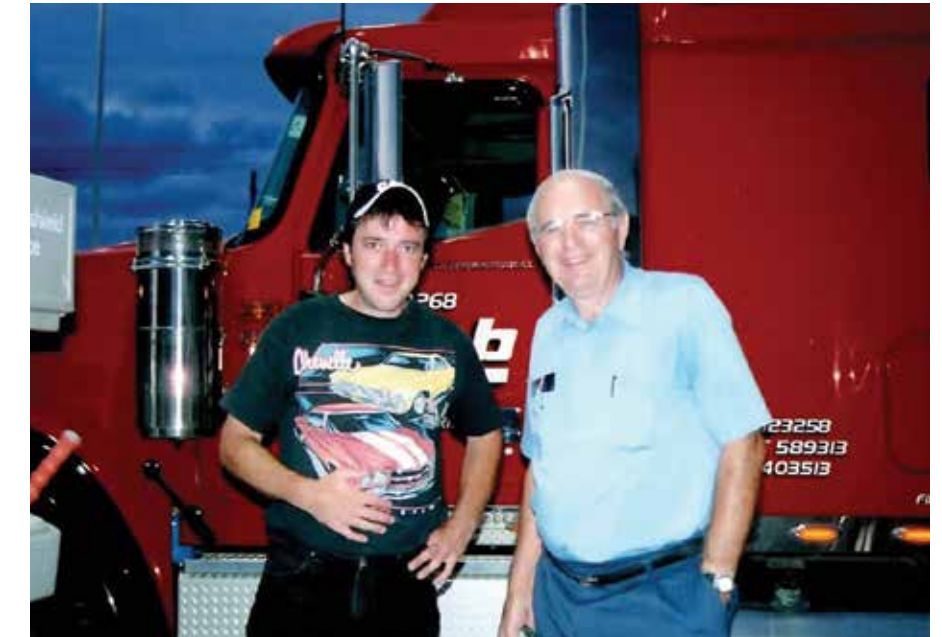
Darryl's truck in Arizona.

highway assignment. "I just wanted to get onto the highway, that's all I wanted to do," he remembers. When a team run to Thunder Bay became available, he jumped at the opportunity. "To me back then that sounded like going to California." He signed up and ended up doing that run for about 6 months, before driving on his own to Ottawa, Sault Ste. Marie and doing a lot of trips to Montreal as well.

When Darryl turned 21 in 1989, this meant he could finally start running into the U.S. After driving Wendell's truck for a couple of years, Darryl purchased his own truck in 1991. As they had done for Wendell, Vernon and Viola made it possible for Darryl to buy a used truck and lease it to the company. In spite of driving for over 25 years now, Darryl is only on his third truck today.

Wendell Pioneering the U.S. Division

Following his first ventures into the United States, Wendell drove cross-border into the U.S. for about one-and-a-half years. During that time, there was no separate U.S. division yet. With only 4 trucks running into the States on a regular basis, Richard Roth, *Erb's* traffic manager for Canadian operations, was dispatching *Erb's* U.S.-bound trucks as well. As the demand for services in and out of the U.S. grew, the need arose to separate International from Canadian dispatch. It became apparent that *Erb* required a full-time dispatcher who was familiar with routes and locations in the U.S. This is when in 1984 Richard Roth suggested to Vernon to bring Wendell into the office to head up the company's new U.S. dispatch office. Wendell seemed to be the perfect candidate as he was familiar with both customers and locations in the U.S. Vernon was skeptical at first as to whether Wendell would be interested in coming into the office because up until then Wendell had shown little interest in the business outside of trucking. To his father's surprise, when they presented the plan to Wendell, he was instantly interested. Two weeks later, Wendell came off the truck and took over U.S. dispatch. In his new role, he managed anything related to *Erb's* growing U.S.



Vernon and Darryl Erb.

operations, including dispatch, fuel tax, drivers' payroll, rating the bills, permits, bonds, fuel stickers (*Erb* trucks required a different fuel sticker for each state in the U.S.), etc.

Looking back, Wendell is grateful for the experience because building *Erb's* U.S. operations in those early days taught him everything that is needed in order to operate a trucking company. Throughout the 17 years of Wendell leading the U.S. division (from the time he came off the truck to look after U.S. dispatch until he became GM in 1999), *Erb's* U.S. division grew from 4 to about 175 trucks.

Darryl Building Erb Expedite, Leading Erb Cold Storage and Becoming a Driver out of Thunder Bay

In 1997, Darryl came off the truck as well to start *Erb Expedite*. In his two years of managing the new company, Darryl laid the foundations



Wendell trucking to Newfoundland, 1998.

of *Erb Expedite's* long-term success. When in the fall of 1999 a new opportunity presented itself to launch yet another company within the *Erb Group of Companies*, Darryl took on the challenge. As a result, from the fall of 1999 until July 2003, Darryl managed *Erb's* new Cold Storage division. While his older brother Wendell decided to continue in the corporate side of the company long-term, staying off the truck and taking on the role of GM and eventually becoming CEO and company president, Darryl decided to follow his heart as well and eventually went back into driving. Not being the kind of person who likes to give orders to people, but rather someone who prefers to do his own thing, in the summer of 2003 he moved to Thunder Bay, where he continues to work as a driver out of the local terminal, doing runs into the U.S. as well as between Thunder Bay and Winnipeg.



Erb Cold Storage Manager Darryl Erb gives instructions to his cousin Warren Erb.

Karen Starting the Food Store and Dividing her Time between the Food Store and Missions Work

Prior to starting their own Food Store in 1997, *Erb* sold damaged goods out of the terminal to *Erb* associates at first and then through a third party at the stockyards. Realizing that the return was not as good as it could be, Karen came up with the idea of *Erb* starting their own food outlet. As a result, in March 1997, Karen launched the *Erb Food Store* out of New Hamburg.

Since then, Karen has been dividing her time between supervising the Food Store and doing mission work which causes her to travel a lot. Furthermore, Karen looks after *Erb's* promotional items, such as jackets, hats etc. In the summers, when the various terminals

are hosting their barbecues, she often travels to the terminals with the latest *Erb* promotional items. In 2011, when Vernon passed the title of company president on to Wendell, Viola passed her title of corporate secretary on to Karen, ensuring even more continuity in the family business in the years to come.

At the core of Karen's mission work is the desire to teach women in third-world countries to earn a living through sewing. Having grown up in a devout Christian home, Karen had often heard of missionaries and wondered at different times over the years whether God would ever call her to serve in another country. Then, over 10 years ago, Karen's son Erick went on a mission trip to Guatemala. The following year, Karen went along. As they worked in a school for children in the slums of Guatemala City, Karen noticed that the mothers would walk their children to school over long distances and then wait outside the gates until school had finished, as it was too far for them to walk home and be back in time to pick up their children. Most of these women were single mothers and thus, had to take care of their children on their own. Their children were enrolled at that particular school because it was free and because they did not have to wear school uniforms which their mothers could not have afforded for them. After a few days of seeing these mothers sitting outside waiting, while their children were receiving an education, Karen began thinking about opportunities that would help them with earning a living while they were waiting for their children to be done for the day. This is when she came up with the plan to teach them how to sew. They could have a little room in the school where they would sew and make a living while their children were being educated.

Determined to put her plan into action, Karen went back to Guatemala the following year, taking sewing machines and various supplies with her. Together with members of the youth team, she taught the women how to sew and *Threads of Hope* Canada was born. 6 weeks later, Karen, along with two friends, set off to the jungle in Peru where she worked in a high-risk maternity home in Yurimaguas



Viola, Rhonda, Darryl and Vernon at Rhonda and Darryl's 2009 wedding.

set up for women from the villages and their babies. As part of a team, Karen taught the workers there how to sew and further how to instruct the women from the villages to acquire sewing skills as well, so that they could go back to their villages and earn a living there. Lima is another location where Karen and her group started



a sewing program to help women succeed. There as well, they have been working with women from the villages who have migrated into the city in search of a better life.

Karen has been to Peru over 20 times, building relationships and helping people become more self-sufficient. In addition to establishing sewing programs in Guatemala and Peru, Karen and her team have started another sewing program in Swaziland, a country landlocked by South Africa. Another country that Karen has worked in on missions is Kenya. There, she worked with local women, while her husband Gerry Buhr worked with the men. It has been particularly satisfying for Karen to see the impact they have had there in changing relationships and the way that the women are treated by their husbands. Threads of Hope Canada and its sewing programs have helped women around the globe become self-sufficient and ultimately given them hope for a better future. Karen's daughter, Lindsey, who is studying hotel management at Fanshawe College, has been to Guatemala twice and to Peru once. In the summer of 2012 she worked as an assistant cook at *Camp Trillium*, a camp for children with cancer.

Wendell Becomes GM (1999) and Gradual Leadership Transition

In 1999, at the age of 38, Wendell became General Manager of the *Erb Group*. This important step marked the beginning of a remarkably easy transition of the company's leadership into the second generation. Wendell reflects: "As far as transition goes, it was probably as seamless as can be. From my perspective, I did not go in trying to fill Dad's shoes in any manner, and Dad was still around for advice." When Wendell became GM, Vernon took his hands off the business. Although he remained available for guidance and assistance whenever needed, he fully accepted Wendell's developing leadership role. Wendell stresses that since becoming GM he has never heard his Dad say to him "But I would have done

that differently." Vernon's willingness to let go as well as his trust in Wendell's leadership abilities made a huge difference. Wendell Erb explains: "Our case is very different from many other cases I know, where the son might be in the position to take on the leadership and might even have the formal leadership role in the company, but has no real authority because his father has not really given up control." By making himself available as a mentor and affording Wendell the freedom to run the company together with the leadership team, Vernon ensured that the *Erb Group* did not fall into the trap that so many second-generation family businesses fall into.

John Jutzi emphasizes the gradual character of the transition of company leadership from Vernon to Wendell: "It was an evolution from one generation to another. It is a great success story of how the Erb family has handled that transition. Many families can't do that. The Erb's are a family that loves each other, respects each other, and it's because of that nature of the family that they agreed to do it together. Passing that torch has been a real success."

A Family Affair: Other Family Members' Involvement in the Company

From its earliest beginnings to today, *Erb Transport* has been and continues to be a family business that involves various members of the Erb family. Viola worked in the company from the beginning until retiring in March 1996; at that time she became corporate secretary for the *Erb Group of Companies*. Today, Viola continues to be involved with the company as a member of the Board of Directors. Vernon's sister, Erma Bisset, began working at *Erb's* in 1992. She worked in the document control department for 16 years until her retirement in 2008. Vernon's brother Edmund worked part-time for *Erb* while operating the family farm. Since selling the farm, he is working on an employment contract running to Trenton every night. As mentioned above, Darryl is working as a trucker out of Thunder Bay, Karen runs the store and is now the corporate secretary,



The family celebrating Vernon and Viola's 50th Wedding Anniversary, November 27, 2008. Back row L to R: Darryl, Rhonda, Gerry, Justin, Karen, Annycka, Erick, Katie, Kyle, Wendell, Cheryl. Seated: Viola, Lindsey, Vernon. Front: Emma and Cameron.



The family celebrating Vernon's OTA Trailmobile Service to Industry Award in November 2008. Back row L to R: Lindsey Buhr, Karen Buhr, Erick Buhr, Viola Erb, Cheryl Erb, Katie Erb, Kyle Erb. Front row L to R: Gerald Buhr, Vernon, Wendell Erb, Darryl Erb.



Granddaughter Katie Erb.



Kyle Erb and Grandpa Vernon.



Grandpa Vernon, Emma and Darryl Erb.



Grandma Viola, Lindsey Buhr and Grandpa Vernon.



Grandson Erick Buhr.



Grandson Justin Buhr.



Grandson Tyler Buhr.

and Wendell is president of the company. In addition to immediate family, there are several nieces and nephews of Vernon and Viola's involved in the company: Vernon's brother Edmund's son, Warren, works on the Baden dock and Edmund's son Darwin's wife, Kelly, works in the store. On Viola's side, *Erb's* Pennsylvania terminal is managed by Vernon and Viola's nephew Doug and his wife Bonnie. In the third generation, there are Wendell's children Katie and Kyle: Both graduated from Conestoga College in Management Studies and Kyle (25) works in the Brokerage department, while Katie (24) is in Credit. On Karen's side, her son Erick worked as a part-time driver before attending teacher's college, and his brother Justin learned how to drive a bulldozer from his Grandpa Vernon. Today, he operates big machinery in Alberta. Edmund's grandson Nathan Albrecht works in the Baden yard shunting trucks. There are also several cousins of Vernon's employed by the company.

Wendell's Leadership Style Compared to Vernon's

Wendell, in his role as GM and later as company president, has been providing great continuity in leadership. Yet, his leadership style is different compared to his father, which reflects both his personality and the fact that he is leading a substantially larger company than the one his father built over the years. When Vernon used to come into the office in the morning, he would go through all the various departments first to get a sense of what had happened during the night. As is natural for a company's founder, Vernon was a very hands-on leader who involved himself in everything in the company. Having filled virtually every possible position at some point throughout the evolution of the business, it always felt natural to him to make sure that the broken muffler on a truck was repaired, to pick up a box that needed to go on a truck, to communicate directly with a customer in regards to a late shipment, or to solve a particular challenge in dispatch, even after the company had grown significantly already.

When Wendell became GM, he was less concerned with those "little things." Instead of following his father's practice of looking at small details, he applied a broader perspective to the company and to his position. Rather than walking through the terminal in the morning, he would be in the office looking at all the various terminals on his computer screen in order to determine how many trucks were hauling how much freight that day to different destinations out of each terminal location. At the deliberate risk of not knowing the latest detail of what is happening at the dock or in one of their departments, Wendell's focus has been on knowing what is happening throughout all operations, and leaving the smaller things to his managers to deal with. Where Vernon had many managers reporting directly to him, Wendell built a smaller core leadership team and gave the senior managers a higher level of responsibility for running their respective department, thus, further reducing the need for him to be personally involved in decision-making processes at the lower levels.

Viola Erb explains: "Vernon and I feel blessed with the way Wendell has been leading the company. He is doing it in a completely different style than his father. Vernon was a hands-on manager and he was involved in every facet of the business making the final decision in that. That would never work with Wendell. We could do it that way because we grew the company from no employees at all to many employees. We could manage on a one-to-one basis, but to come in at a later stage of development, after Erb had become a large company already, and keep managing that way would be impossible."

In addition to always looking at the broader view of the entire operation, Wendell has been very decisive in his leadership. Like his father, he usually thinks multiple steps ahead, and he always thinks things through. Once he has weighed the pros and cons, he makes the decision. Floyd Gerber comments: "Wendell has the ability to see the big picture and connect all the dots right away [to] see how it all impacts and comes together." Towards the same end, Kevin Cooper, who has worked closely both with Vernon and Wendell, emphasizes:



“Wendell is the perfect combination of both his parents, of Vernon’s ability to collect all the information that is needed for making an informed decision and Viola’s assertiveness. Wendell is probably a little more decisive on timeframe than his father. Wendell gathers the same information as his Dad and then decides. In both cases they are usually right.”

Looking at operations today, Vernon senses that some of their senior managers felt a little freer to disagree once Wendell took over, compared to the time when Vernon was running the company.

Without bragging, Vernon guesses that they did not want to disagree out of respect for him as the company’s founder, even though he would not have given them a hard time if they had voiced their dissenting opinion. In comparing his own and his son’s leadership styles, Vernon sees Wendell’s style as a definite improvement: “I am sensing how things have somewhat changed and [the way that] senior people having taken a stronger hold on their departments has proven to me that Wendell’s style of management has been good for the company.”





Erb in the Community

CHAPTER 10



Vernon with bursary recipients Alison Neil and Holly Lotz and their parents at the 2005 OTA luncheon.



Expo Trailer

Community Involvement and Corporate Philanthropy

Not surprising for someone who has grown up in close-knit community, being part of the larger community and sharing with community organizations has always been an important part of Vernon's vision for *Erb Transport* and the *Erb Group of Companies*. Giving is included in *Erb's* mission statement, and today, *Erb's* commitment to community causes is carried on through Wendell.

Being a person who wants to help out wherever he can, Vernon has always been very generous in his support of the community. Bruce Jantzi remembers giving being part of Vernon's vision for the company from early on: "There were times during the early years when we were struggling. I remember Vernon was involved with Transport for Christ at the time and he would donate tires and other things to them. I remember listening to drivers saying: 'Why is he giving them tires? We can hardly keep tires on our own trucks.' All of those good things that he did over the years have certainly come back to him again."

Over the years, *Erb Transport* has supported many faith-based and non-faith based organizations. One area that the Erb family has always been particularly committed to is supporting employees' ventures and their children in particular. Dorene Rudy-Snyder, who looked after *Erb's* donations and corporate sponsorships for many years, emphasizes that *Erb* has always made money available to help employees with the costs of their children's hockey and other sports activities. Gradually the focus has included employee children's other creative gifts in arts, music etc. as well.

The *Erb Group* helps sponsor students through the OTA Education Foundation. Through this program, children of employees, if chosen, can receive \$1,500 towards their university tuition or \$1,000 towards their college tuition. In addition, in 2008, the *Erb Group* set up its own Endowed Scholarship.



Vernon and Howard Lebold on a charity run to Goose Bay, Labrador, Summer 2012.

Giving back to the community often takes on the form of donating trucks to charities. *Erb* has provided discounted trucking for food banks, *SELFHELP/Ten Thousand Villages*, and many others. In the summer of 2006, *Erb* hauled the *Doctors without Borders* Expo trailer in Ontario and Quebec. *Erb* trucks have further helped with disaster relief, be it by moving food and generators free of charge during the 1998 ice storm in Quebec and Eastern Ontario, or hauling supplies to help the victims of Hurricane Katrina in 2005. In the summer of 2012, Vernon and Howard Lebold took a charity load of freight for a remote Inuit community in Labrador out to Goose Bay, Labrador. A few weeks later, Vernon did the same trip again, this time on his own.

Not surprising for a man of faith, Vernon has lent his support to many Christian organizations. Transport for Christ is a group that



has always been inspirational for Vernon with its focus on providing truckers with counseling services and helping them with personal problems while providing a place for spiritual growth. Vernon continues to serve on their Canadian Board of Directors.

The following is a selection of community initiatives and charities the *Erb Group* has supported over the years as part of their corporate philanthropy mandate: *Big Brothers and Big Sisters Foundation*, *Belleville General Hospital Cancer Clinic*, *Cancer Society*, Charity Golf tournament (over the course of 19 years, *Erb's* annual Golf tournament has raised over \$100,000 for charity causes), *Community Justice Initiatives*, *Community Players*, *Compassion Canada*, *Conrad Grebel University*, *FIDA*, *Food Banks*, *Habitat for Humanity*, *KidsAbility*, *Heart and Stroke Foundation of Ontario*,



House of Friendship, MEDA, Menno Homes Inc. (housing projects), Mennonite Central Committee, Millennium Choral Organization, Mission Aviation Fellowship, Missionary Ventures, Northern Youth Programs, Ontario Mennonite Relief Sale, Ontario Trucking Association (scholarship program), optimists clubs, Ride for Dad, Shalom Counselling Services, SELFHELP/Ten Thousand Villages, sports teams, Strong Start, The Navigators of Canada, The Children of Chernobyl Committee, the George Jeffrey Children's Treatment Centre, The Northern Lights Winter Carnival (Thunder Bay), Transport for Christ, Tyndale Foundation, and many more. In addition, Erb has been supporting some of their customers with their fundraising events as well as several employees with their own charity events.

22 Racing

In 1999, Erb became a sponsor of Scott Steckly and his CASCAR (Canadian Association for Stock Car Autoracing) race car (22 Racing). At the time, Scott was an up and coming rookie in the racing circuit. Wendell emphasizes that Erb's involvement with 22 Racing

was always limited to sponsoring Scott; throughout the duration of the sponsorship arrangement, Wendell always made it clear to customers that Erb did not own a race car, although Scott's car had the Erb name on it for promotional purposes. Wendell explains: "Even Mom would say: 'How did our race car do?' 'Our race car – we don't have one!' I would reply."

Scott won his first race in 2006, and although he was clearly making a name of himself in the racing community, when the 2008 recession came along, Erb decided that they could no longer sponsor him. In spite of terminating the sponsorship, Erb continues to pull Scott's race car in a company truck. Erb's decision to pull out of the sponsorship put Scott under tremendous pressure at the time. Fortunately, he won several races at the beginning and was able to use the prize money to pay for his expenses. After winning four races that year, he picked up another sponsor called *Tow truck in a Box*. When he moved on to win the championship that year, he had finally arrived in the *Nascar Canadian Tire Series*. Building onto that major achievement, he eventually entered into a new sponsorship



The racing car and trailer at the Baden Terminal.



The racing car at a race in 2002.



Wendell Erb.

agreement with Canadian Tire. Today, *Erb's* participation in *22 Racing* is limited to moving Scott's trailer to the racetracks with a special company truck, an International LoneStar. All the drivers on the truck are volunteers.

In the fall of 2011, after Scott had become the Canadian Tire Series champion for the second time, his race car was shown at the *SEMA* show in Las Vegas. In order to get the race car to the show, Wendell took the LoneStar and Scott's trailer with the racecar and Wendell's motorcycle in it and went on a most memorable road trip to Las Vegas together with his wife. Wendell remembers: "When we got to the border, I had my FAST card ready and the customs official says to me: 'How often do you cross the border?' 'I can't remember the last time in a truck, to be honest with you,' Wendell replied. "What do you do in the company?" the official kept asking. "I am the president," Wendell answered. "Is there nobody else who can



The racing trailer in Las Vegas, 2011.

drive this truck?" the official wanted to know. "Well there is, but it's a vacation for me," Wendell explained. As he handed the paperwork back to Wendell, the official said: "Well, it's not my idea of a vacation, but carry on." "The border official had no idea," Wendell concludes. "I got to drive the LoneStar, went to Las Vegas, rode my motorcycle down there and had my wife accompany me on that trip – in my view that qualifies as the ultimate trucker's vacation."

Awards and Accreditations

Over the years, the *Erb Group*, and Vernon personally have won many awards. Among the company's most prestigious recognitions are the Transportation Safety Association of Ontario's *Achievement Award*, the Truckload Carriers Association's *Fleet Safety Award*, the CIBC's *Business of the Year Award*, the *Canadian Driver Retention Award*, the *Walmart Delivery Carrier of the Year Award*, and many others. The Erbs take a lot of pride in those awards that recognize



Wendell Erb receiving the 2010 TCA Fleet Safety Grand Prize Award in Las Vegas.

the Group's outstanding safety record and exceptional level of service. The fact that since 2003, *Erb* has placed six times in the top 3 in the annual Fleet Safety competition held by the Truckload Carriers Association amongst carriers across North America who are members of the TCA, reinforces the *Erb Group's* commitment to maintaining exceptional safety and maintenance standards at all times. All of the following awards attest to the dedication of each and every member of the *Erb Group* to operating a safe fleet and a company that provides customers with superior service.

Safety Awards

In 1997, *Erb* won the *Transportation Safety Association of Ontario's Achievement Award*, which is presented to companies that have operated with an injury frequency and cost rate factor below their rate group average for at least three consecutive years.

In 2002, *Erb* received an award from the Truckload Carriers Association, recognizing *Erb Transport* as one of the safest truckload fleets in North America. In 2003 and 2004 as well, *Erb* was a *National Fleet Safety Award* winner.

In 2005, *Erb Transport* was the second place winner in Division 4 (25 to 49.9 million miles) at the Truckload Carriers Association's *Annual Fleet Safety Awards*, held in Las Vegas.

In 2008, *Erb International* received the second place *National Fleet Safety Award* for Division 4 (25 to 49.9 million miles) at the Truckload Carriers Association's Convention in Nassau, Bahamas.

In March 2010, *Erb International* was awarded the Truckload Carriers Association's *Fleet Safety Grand Prize Award* in Las Vegas (first prize for safety in their class and first prize overall for fleets under 25 million miles per year).

In 2011, *Erb International* qualified second in Division 4 in the Truckload Carrier Association's *Fleet Safety Award* program.

In 2012, *Erb* was the recipient of the *Volvo Fleet Safety Award*.

Corporate Achievement Awards

In 2003, *Erb* received the *CIBC Business of the Year Award* from the Waterloo Region Junior Achievement Group.

In 2005, the *Erb Group* won the *Canadian Driver Retention Award* for having the lowest turnover rates for a transport company with more than 100 power units.

In August 2008, *Erb* was awarded the *Transportation Logistics Shippers' Choice Award for LTL Carriers*.

In September 2008, *Erb* won the Over the Road Magazine's *Driver Retention Award for large carriers*.

In 2009, *Erb* was named by the Truckload Carriers Association as one of the "Best Fleets to Drive For".

In 2010, the *Erb Group* was named Walmart Canada's *Store Delivery Carrier of the Year*.

In 2010, *Erb* received the Waterloo Region's *Healthy Workplace Silver Award*.

In 2011, *Erb* was named *Store Delivery Carrier of the Year* by Walmart, for the second year in a row.

In 2011, *Erb* received the Waterloo Region's *Healthy Workplace Gold Award* for their "Highway to Health" program.



Tom Boehler, Floyd Gerber and Vernon with Erb's first Truckload Carriers Association National Fleet Safety Award in Florida in 2002.



Vernon accepting the Truckload Carriers Association Award from TCA Chairman, Clifton Parker, in 2002.



Tom Boehler, Floyd Gerber and Wendell Erb receiving the 2007 Truckload Carriers Association Fleet Safety Award in Hawaii.



Receiving Walmart Canada's Delivery Carrier of the Year 2009 Award. L to R: Andrew Weidner, John Verkuyl, Walmart Representative, Kevin Cooper, Walmart Representative, Wendell Erb, Walmart Representative, Phil Passarelli, Walmart Representative.



Being presented with the Walmart Canada Delivery Carrier of the Year Award for the second year in a row. From L to R: John Verkuyl, Olivier Joubert (Walmart), Phil Passarelli, Corinne Laking, Andy Ellis (Walmart), Kevin Cooper, Andrew Weidner, Jim McKay (Walmart).

In May 2011, *Erb* was named one of the 20 "Best Fleets to Drive For," in a contest sponsored by the Truckload Carriers Association.

In 2012, *Erb* was honoured again by the Truckload Carriers Association as one of the "Best Fleets to Drive For".

Vernon's Personal Awards

Being a humble man and in spite of having been involved in the larger community for many years, Vernon has always stayed away from the spotlight. This has not, however, prevented him from being recognized by his community and industry many times over the years. Some of the awards he received include:

1991 *Wilmot Citizen of the Year Award*. This award recognized Vernon for his role as the man behind many charitable projects and support groups in Wilmot Township.

In April 1993, Vernon received the *Canada 125 Commemorative Medal*.

In 2003, Vernon was honoured with the *Colonel Robert Hardie Award of Lifetime Achievement* presented by the Ontario Minister of Transport.

In 2003, Vernon was inducted into the Waterloo County Hall of Fame.

On April 9th 2005, Vernon was among five recipients awarded a *Paul Harris Fellow Award* at the 100 Years of Rotary Fellowship Celebration held at Bingeman's Marshall Hall in Kitchener.

On November 21, 2008, Vernon was presented with the 2008 Ontario Trucking Association's *Trailmobile Service to Industry Award* during a special ceremony at the OTA's 82nd Annual Convention in Toronto. The award is the highest honour bestowed on a trucking executive and recognizes an individual who, by their commitment,



Vernon receives the Paul Harris Fellow Award at the 100 Years of Rotary Fellowship Celebration on April 9, 2005.



Vernon speaking during his induction into the Waterloo County Hall of Fame, 2003.



Family and friends celebrate Vernon's induction into the Waterloo County Hall of Fame, 2003.

vision, leadership, and service, has made an outstanding contribution to the development and success of the trucking industry in Ontario.

OTA Accreditation

The *Erb Group* has been a member of the Ontario Trucking Association (OTA), an industry group that lobbies with the government and regulatory authorities to effect changes in the trucking industry, for many years. At some point, Vernon, while serving on the OTA Executive Board, was strongly encouraged to become OTA Chairman for a term. In spite of his experience in the industry, he did not step up to that leadership role, because he felt that he is not the right type of person to represent the industry vis-a-vis the government. Vernon feels very honoured by having been offered that position and for the privilege of having been on the Board for many years, as well as serving on the Executive Board. He commends OTA president David Bradley for the remarkable job he has been doing in lobbying and working with governments on behalf of the Ontario trucking industry. Wendell is carrying on the Erb family's involvement with the OTA, having been on the Board for the last four years since Vernon retired from the position.



Vernon with the 1991 Wilmot Citizen of the Year Award.



Vernon and Wendell Erb on the occasion of Vernon being awarded the Colonel Robert Hardie Award of Lifetime Achievement, 2003.



Vernon receiving the Colonel Robert Hardie Award of Lifetime Achievement from the Minister of Transportation, the Hon. Frank Klees, in 2003.



Meeting the Queen

On October 10, 2002, Vernon and Viola and their daughter Karen Buhr were privileged to join the Ontario Trucking Association at the Festival of Ontario, and to see the Queen on that occasion. To showcase 50 years of growth, development and advancement in the Province to the royal couple, who were touring Canada to mark Her Majesty's 50 years on the throne, key industry sectors were brought together to spotlight the best of Ontario. The OTA



was invited and Vernon was asked if he had a 1952 truck that he could bring to the event. Vernon was pleased to exhibit a 1952 International tractor that was built the year the Queen was crowned. The OTA exhibit captured the attention of both Her Majesty and the Duke of Edinburgh who stopped to view the display and chat with OTA staff and members.



**Vernon's Retirement,
The Erb Group Today,
and Outlook into the Future**

CHAPTER 11



Vernon's Mistaken 'Early Retirement'

When, early in 2001, many *Erb* employees in Baden and New Hamburg approached Vernon and wished him well in his retirement, he had no idea why all of a sudden everyone seemed to think that he had fully retired from the company. One day, as he walked into the drivers' room at the Baden terminal, he noticed a big banner on the wall saying "Happy Retirement, Vern." It instantly dawned on him why people had wrongfully congratulated him on his retirement. He remembered that Vern Schwartzentruber, who had worked in Baden in evening dispatch, had recently retired. Upon further inquiry into the matter, Vernon learned that Baden drivers and staff had put up the banner as part of a small celebration to recognize that special event. Naturally, people who would only see the banner without knowing about Vern Schwartzentruber's retirement assumed that "the boss" had retired. "I was happy to have that cleared up," Vernon remarked at the time.



Vernon taking his great-granddaughter Anika for a ride on the tractor.

Going Back to his Roots: Vernon Enjoying "Retirement" as a Farmer

After Wendell became General Manager, Vernon gradually phased out of the business while assuming a mentoring role to his son and senior management. From the earliest days of transitioning management to Wendell, Vernon felt very pleased with his son's leadership abilities and with the great management team he relied on. Although he felt too young and too driven to retire, Vernon knew that he needed to fully step aside and allow the younger generation to manage the affairs of the company. Consequently, by 2001, less than two years after Wendell had become General Manager, Vernon was not much involved with the day-to-day decisions anymore. As Wendell kept growing in his leadership role, Vernon felt that it was time for him to look for something else to keep himself occupied: "Vacationing in Florida for a few months in the winter is okay, but I felt I needed to do something worthwhile and be more active physically. Well, the Lord had the plan!"



Working on the farm.





Some of Vernon's vintage trucks at the farm.



That plan presented itself in the sudden opportunity to purchase a farm and return to his roots in farming. Vernon reflects: "Having grown up on a farm, over the years, even as busy as I was being in the trucking business, my mind often went back to the farm. When travelling either by truck or by car I would look at every field to see how the crops were doing. I just could not seem to get away from the farm." In 2004, Vernon was introduced to a 96-acre farm that required a lot of work and attention before being used for farming again. Feeling very strongly about returning to his foundations in farming, he convinced Viola that purchasing the farm and involving himself in farming was a great project for his "retirement." Vernon felt strongly that after so many years of working day in and day out, he needed something new to focus on and that going back to his roots in agriculture would be a highly fulfilling way of spending his time. As was so often the case, it turned out that he was right.

With Viola's blessing, Vernon bought the farm, cleaned up the property and began working the land with some of his antique Farmall M and WD9 McCormick tractors, which had been highly popular in the 1950's when Vernon had last worked on the family farm. He later also bought a "new" tractor, a 1977 1086 IH with a cab, AC, heater, radio and 130-HP, which allowed him to get into bigger implements. To this day, Vernon plants his own fall wheat and soybeans, while his neighbours plant the corn for him. A cash cropper in his "second career," he does his own combining and hauls the crops to Hamilton, Goderich and other local elevators with 2 hopper belly grain trailers.

To this day, Vernon thoroughly enjoys working on the farm. Although he misses some of the earlier connections and meeting with people that he did business with in the past, he does not miss the decision-making aspect or having to go into the office day every day. Today, when reaching Vernon on his cell phone, callers usually



hear equipment noise in the background, as he is operating heavy machinery on his farm, plowing, combining, and doing whatever else is necessary when running a farm. What Vernon enjoys the most about being on the farm is working with his equipment, a passion he has always had and that was at the heart of him going into business as a trucker in the first place. Throughout the years of building and operating the *Erb Group*, Vernon was working with people and many of his days were filled with office work. Even then, he needed to get out and onto a truck and do a delivery run every once in a while to feel connected with the side of the business he was most passionate about. Today, being free to operate heavy machinery on the farm whenever he wants to, gives him a deep sense of satisfaction.

Although his cash-cropping venture produces revenue and Vernon runs the farm like a business, he does it for the satisfaction, not for the money. Being a hobby and a type of business at the same time, the farm has been an ideal way for Vernon to maintain a purpose and

to focus his entrepreneurial drive and need to work on something other than the company. With the farm being somewhat seasonal, keeping him busy mainly throughout the summer and fall, it allows him to spend time with Viola in Florida during the winter and spring time.

In addition to working his own 96-acre property, Vernon also looks after Wendell's 110-acre farm as well as another 55 acres he rents from a neighbour. Altogether, he is farming well over 200 acres of land for cash crops. In his farm work, he often relies on the advice of his much more experienced neighbours, as farming practices have changed drastically since Vernon's days on the family farm over 55 years ago. Although Viola thinks he is working too hard for his age, and often reminds him to take breaks, eat his lunch and not work too long into the night, he has overheard her several times telling friends that "the farm is the best therapy Vernon could ever have; it is the best thing for him." Having lived with Vernon for that long, she knows that his entrepreneurial drive needs an outlet and that

the concept of retirement was not designed for people like him. At an age where many other people are desperately looking for ways to fill their days, Vernon has to take time off from his regular work schedule at the farm to accompany Viola to the grocery store, take her to the doctor's office or accomplish other non-farm related things. "Life has been good," he says. "I enjoy every day, unless it rains and then I may be heard complaining about the weather. But Viola usually reminds me: 'If you can't accept the weather the way it is, then you better do something else.' So I have learned not to complain because I want to be in my second career for many more years to come... Lord willing!"

The Erb Group Today - Complexity of Operations

With over 1,300 employees spread out across 10 terminals and 3 sub-terminals, working in over 100 different jobs and providing a wide range of services, the *Erb Group* has become a complex business. Today, *Erb* is known as an integrated transportation service provider whose range of services includes:

- Less than truckload (LTL), palletized or truckload shipments
- Direct store delivery (DSD) or deliveries to warehouses
- Transportation in Canada and the United States
- Cold Storage/Logistics/Warehousing solutions
- Expedite services
- Freight brokerage

Operating an integrated trucking company that processes about 1,100 orders on the U.S. side (both truckload and LTL) and 15,000 to 16,000 orders on the Canadian side of operations each and every week involves much more than simply ensuring that customer product gets delivered to the right destination on time. Rather, it requires specialists in a great number of different areas. Within the *Erb Group*, over 100 people are employed in sales, dispatch, data input, OS&D, and traffic and terminal management. Their task is to acquire





Some of Erb's Quarter Century Club Members in 2009.



customers, move and record the freight, and deal with problems as they arise. Over 140 other *Erb* employees handle the freight on the docks, moving millions of pounds each and every weeknight. About 650 drivers and 156 owner operators at *Erb* and K-DAC are responsible for pickup, line-haul and delivering the product to the customer, safely driving over 50 million miles per year: In 2011, *Erb* trucks across the entire organization covered 51,156,922 miles. Over 60 mechanics in various locations ensure the safety of the fleet. More than 35 highly trained professionals in human resources and driver services support operations through their administrative work and by maintaining *Erb's* various safety programs. Almost 20 people look after document control and rating, making sure that documents are accessible and customers are billed correctly. Payroll, accounts payable and receivable, credit and collections, accounting, fuel administration, security and terminal maintenance are other important areas the *Erb Group* could not operate without.

The complexity of the business extends into information technology and communications as well. Today, the *Erb Group* communicates with customers through 29 different transportation management systems, which involves anything from receiving tenders by electronic interchange, to responding to customers when deliveries are made, to how the customer is billed. As different customers rely on different communication management systems, *Erb* is using all of them to be able to communicate with each and every one of them electronically in their language of choice. While transparency and communication with the customer has always been a core component of *Erb's* successful business model, modern communications technology has turned the company into an information provider that stays connected with customers electronically all the time. John Jutzi comments: "Through modern technology we have become information providers for our customers. Sometimes it almost seems like information comes first, and trucking second!"

The *Erb Group's* complexity and diversity of functions, while creating certain challenges at times, provides great opportunities to engage with customers in a meaningful manner and to provide them with the "one-stop-trucking solution" they are looking for. The interconnectedness of the Group's various divisions and services ensures *Erb's* role as a fully integrated one-stop service provider for the transportation of refrigerated goods across Canada and the U.S. In a market where an increasing number of shippers rely on Third Party Logistics (3PL) companies to look after all their transportation needs, *Erb's* ability to offer comprehensive one-stop-trucking, logistics and cold storage services solidifies their position as a market leader in an ever-changing environment.

Ongoing Changes and Transitions in the Market Place and their Impact on the Erb Group

Today, the *Erb Group* is faced with significant industry-wide market transitions that are already impacting their business model and will have a further impact on operations in the future. These include changes in the supply chain, increased collaboration between competitors for their warehousing and transportation needs, the ongoing consolidation of the North American food processing and grocery market, the increasing role of 3PL companies as intermediates between shippers and carriers, as well as customers' ever-increasing expectations in regards to the real-time traceability of their shipments.

The last decade has been characterized by gradual, yet overall significant changes in the supply chain, that is in how many of *Erb's* customers in the food processing and grocery industry are doing business. Unlike in the past, today's food processing and grocery market is dominated by a select number of large players. Their tendency to operate central warehouses and to distribute product from there to their stores on their own trucks has significantly reduced their reliance on carriers like *Erb* for direct store deliveries

(DSD). According to John Jutzi decreased demand for DSD services is further caused by "the blurring of food channels," where a dairy and a yogurt company, for instance, may join forces for delivery on either one of their company trucks, as their products are being distributed to the same stores. Equally, there is increasing cooperation between companies that may be competitors, but collaborate when it comes to their warehousing and transportation needs. At *Erb's*, the resulting decrease in demand for DSD services has been offset by a significant increase in full truckload services, particularly due to having become a carrier for Walmart. Due to the structural changes in the food processing and grocery industry described above, it is to be expected that this general tendency will continue in the future.

The ongoing consolidation of the North American food processing and grocery market further means that many of *Erb's* formerly independent producers have been bought up by larger players who, due to their dominant role in the market, can exert a tremendous amount of market pressure. Many of these larger players are showing a growing tendency to work through third party logistics (3PL) companies that provide transportation solutions without operating their own equipment. For companies like *Erb*, the growing popularity of working through 3PL companies has in some cases eliminated the direct contact between carrier and shipper altogether. This makes it difficult to build meaningful and lasting relationships which is one of the core strengths and fundamental business imperatives of *Erb*.

The aforementioned market transitions are accompanied by increased competition, ever-growing pressure on revenues and rates, a looming driver shortage and resulting pressure on human resources, as well as uncertainties in regards to the long-term reliability of the latest generation of trucking equipment.

Today, large transportation solutions providers like *Erb* are facing competition not only from customers' own trucks and from large grocery warehouses, but from a great number of smaller companies

that provide refrigerated transportation services as well. Wendell Erb explains: "Even though there are not many carriers of the size of *Erb Transport*, there is a tremendous amount of refrigerated trucks on the roads. They might only consist of one truck or maybe five truck outfits, but when added together, all these small trucking operations carry a lot of goods and create formidable competition for larger carriers like us. Most importantly, this competition keeps freight rates in check."

In terms of freight rates and market pressure on the trucking industry to keep rates low, the negative effects of the 2007-2010 recession on rates are still being felt across the North American trucking industry. During the recession, as a result of too many trucks competing for a reduced amount of product, freight rates dropped 5 to 10 percent on average. "Those carriers whose margins got cut by 10 percent are not with us anymore," Wendell Erb comments. One of the most significant long-term effects of the recession for trucking companies like *Erb* is that freight rates are only now starting to go up again. "The biggest challenge for us as for other trucking companies are profit margins," Wendell concludes.

Another significant challenge facing the entire trucking industry is a looming driver shortage. Up until now the severity of the oncoming crisis has been somewhat masked by reduced demand and shipping volumes during the 2008-2010 recession, as well as by the fact that many long-time drivers when retiring from full-time trucking, continue driving part-time. Given the current demographic, it is safe to conclude that by 2020 the driver shortage will assume critical proportions unless the industry finds ways to attract large numbers of young people to trucking.

Unlike in the past, when trucking companies operated somewhat seasonally depending on what kind of freight they specialized in, today demand for trucking services is virtually 24-7 for 365 days a year. While customer expectations in regards to service availability

are ever-growing, there are hardly any young people going into the profession any longer. Unlike the drivers of the 1960's, 1970's and 1980's, who were instrumental in making *Erb* successful by taking on as much work as they could physically handle, the members of today's younger generation are looking for more of a work-life balance. They are generally not interested in a job that takes them away from their families over night or even over some weekends.

Bruce Jantzi explains: "The newer generation of drivers in their thirties wants to be home with their families. Their families are more important than making a living, whereas back when I started in the 1970's, whether it was right or wrong, the number one priority was making a living." The goal to be home with families is further reflected in many of today's drivers' preference of local runs over long-haul trucking. In the old days, drivers started out locally with the goal to eventually get into highway runs and long-haul trucking; today the goal of many highway drivers is to eventually get out of long-haul and into local work that allows them to be home with their families at night.

This change in work expectations combined with the fact that due to reduced profit margins pay levels in the trucking industry have fallen behind other economic sectors, is leading towards a serious human resources crisis in the North American trucking industry. Floyd Gerber describes the scope of the looming crisis: "It is going to come down to whoever has the drivers will have the freight and be a successful carrier. We have already seen large carriers buying up smaller carriers not for the business, but for the drivers. That is a scary scenario and we will see more of that happening in the near future."

Erb, like everybody else in the industry, is struggling with the advanced age of their driving force and the lack of young drivers coming into the profession to replace them upon retirement. An internal survey shows that the average age of *Erb International* drivers is 47 years old; only 2 drivers are in their thirties and nobody in their twenties. Several of the more recent hires at K-DAC are over 60 years old.



Erb trucks at the new fuel station in the Toronto yard, 2001 (picture taken by John Combers).



Challenges do not only apply to the driver side of operations, but there are also uncertainties in regards to the long-term reliability and performance of the latest generations of trucks. New engine technology that is geared towards emission control and the use of new allegedly environmentally-friendly chemicals for road maintenance in the wintertime, has created a situation where from a technical perspective it has become uncertain whether equipment will continue to wear as well as in the past. Up until recently, the general expectation at *Erb* has been that a piece of equipment will last about 15 years. The oldest running tractor in the fleet is from the mid-1990's, while some trailers go as far back as 1993. Regular inspections and servicing intervals ensure that the fleet remains safe at all times over the course of its expected life time. Given the current state of uncertainty, corporate fleet manager Steve Haus wonders whether in the future "it may be better for us as a company to put a shorter timeframe on new equipment and just dump it before we are running into problems. We don't have enough experience at this point to know what kind of challenges we're going to run into down the road."

Similar concerns relate to the possible long-term impact of magnesium chloride that is used for deicing roads in the winter on trucks and trailers. Steve Haus expresses the following concerns: "Magnesium chloride loves steel, aluminum, and copper and it will just eat it alive. Combine that with the amount of electronics on the new trucks that are particularly vulnerable to it. It's got to the point now where undercoating has become a necessity. So what's that going to look like 5 or 10 years down the road on a piece of equipment that is running up and down the highway at 200,000 kilometers a year? How long is that going to last? We don't know. We're in one of those unknown time frames where nobody seems to have a total grasp on any of this. I have never experienced that in over 35 years in the trucking industry."



The Future of the Erb Group in an Ever-Changing Market Place

In spite of these market transitions and challenges, the *Erb Group* looks positively into the future. Built on rock solid foundations, the Group has a proven history of proactively embracing change. Experience, size, existing infrastructure, procedures and best practices, quality of leadership, a dedicated work force, focus on the customer, and an exceptional service record, are the most important contributing factors to *Erb's* excellent standing in the industry today. These very same qualities will ensure that the *Erb Group* will keep distinguishing itself as a market leader in an ever-changing market place.

Not only is *Erb* already aligned with several of the most progressive players in the food processing and grocery industry, but the company's core values and best practices, as defined by Vernon and carried on by Wendell in the second generation today, are also easily transferable and applicable to a changed market environment. With an eye to the future, Wendell Erb predicts: "As far as the future is concerned – trucking is here, and trucking is here to stay. Products will always have to be moved and even though there are

many modes of transportation, trucking is a vital part of the economy and therefore it is always going to be here. What the changes are going to be I am not sure, but things are going to be much different 50 years from now. No matter what those changes are, I would just hope that we still have the employees that can dedicate themselves and adjust to whatever the conditions may be."

Vernon equally trusts that the core values which have led him throughout his long life as an entrepreneur and business leader and that are carried on through his son's leadership in the second generation will stand the test of time in the long run. He concludes: "One thing I trust will never change in our company is that we continue to treat our customers, employees and suppliers with the same respect, honesty and integrity that the company has practiced since its founding over 50 years ago. My wish is that each employee would demonstrate the golden rule in every aspect of their job and "Do to others as you would have them do to you!"