



“Be Successful through Change”

The Erb Group in the 1990's

CHAPTER 5



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 ReadyBake 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