Thompson Trucking Rides Niche and "Partnerships" to Steady Growth

FREIGHTLINER FORMS A NEW PARTS & SERVICE COMPANY
MID-AMERICA and TMC PREVIEWS

Thompson Trucking's President & CEO Richard "Rick" Thompson and his wife, Nancy
In 1948, C.R. Thompson started in business with one truck—a single axle Ford—hauling stone in the summer months and lime and wood in the winter. Thus was the seed for Thompson Trucking, Inc.—a Concord, Va., aggregate hauler—planted.

Today the company has sales of $10,026,980 (1997) and 44 tractors, 110 trailers, and 43 dump trucks (including four single-axles, 11 quad-axles, seven tri-axles, and 27 tandem-axle dump trucks) to accommodate its stone and asphalt-hauling needs. It employs 92 people, of whom 76 are drivers, seven are shop personnel, and six are office personnel.

Thompson Trucking was officially established in October of 1975, a month after C.R. Thompson’s death, when C.R.’s son, Richard L. “Rick” Thompson, and his wife, Nancy, bought six trucks from the late Thompson’s estate.

“We bought our first tractor, a 1969 GMC 318 Detroit from Lawhorne Brothers,” says Rick Thompson, 50, President & CEO, “and a Summit metal dump trailer, and began hauling lime to various customers in eastern Virginia and central North Carolina. (We would return with sand for Lynchburg Ready Mix and Finly Corp.)
In 1984, we expanded our fleet from 18 to 36 tandem-axle dump trucks and three tractor trailers after we bought W.L. Austin Trucking and won hauling rights to both Mt. Athos and Lawyers Road Quarries in Lynchburg, Va. (In 1978 we had become the contract hauler for Rockydale Quarries in Appomattox, Va. In 1983, Rockydale sold its Concord operation to its chief competitor, W.W. Boxley of Piney River, Va., who gave all hauling rights to W.L. Austin, so the purchase of Aust-in just made good sense.)

From 1984 to 1990 Thompson grew from three tractor-trailers to 12 tractors and 20 trailers while adding numerous lime customers. It also began to haul scrap metal from various areas in North Carolina and Virginia for interment foundries.

"In 1990 we purchased Guy Burley Trucking in Piney River," Thompson says, "and obtained the hauling rights to W.W. Boxley's Piney River plant. And since 1990, we have expanded our tractor-trailer operation by hauling contaminated soil, hazardous waste, household trash, fly ash, lime, sand, and scrap metal."

In 1994, Thompson began hauling scrap metal for Cycle Systems' Lynchburg operation to Roanoke Electric, and shortly thereafter, it added Cycle Systems' Roanoke and Chester, Va., operations.


"We normally take lime east and south to customers like B.T. Hargrave, Carolina Eastern, Royster Clark (at various locations), Shields Fertilizer, Enfield Grain, Halifax Fertilizer, Southern States (various locations), Lebanon Chemical, E.B. Grain, Micro Oil, Hellener Chemical, Reamford Fertilizer, and various others, and return with scrap metal."

In October 1994, we began hauling household trash for USA Waste from the city of Salem to its Amelia landfill. We also haul contaminated soil for USA Waste, Reco, and TPS technologies, and coal ash for A.T.I. to be burned at Roanoke Cement."

By the end of next month (March),
Thompson will have increased its fleet size with 10 new 4900 International dumps—ordered last October to ensure delivery to meet its schedule—with 530 E International 300-horsepower engines. Truck Body Corp. will install third lift axles, Henderson Pararift model number UT13BO4NIL, and Ultra Light Crysteel 16-foot dump bodies from Lakecity, Minn., on each. These trucks will provide an additional 3200 pounds of payload per trip with little additional cost, Thompson points out.

"We are always striving to cut weight while maintaining quality to increase payload," he says. "In fact, the best purchasing decision I ever made was to buy a 1981 International dump DT 466 210 horsepower. It has increased fuel mileage over my other trucks and easily saved me enough money to pay for the truck in its first 17 years of operation."

"Our Cummins and Detroit dealers have provided us with N-14 and M-11 and 60 Series Detroit electronic engines that average 6.1 miles per gallon. We also specify DT 530 275-300 horsepower in our 4900 dumps that now average up to 7.8 miles per gallon with electronic engines, Spicer transmissions, and Eaton rear guarantee five-year-500,000-750,000-mile warranty.

"We have gone to a five-year trade cycle on all trucks and tractors to minimize our maintenance expense and down time."

Concerns

"We're concerned with keeping our people happy," Thompson says. "We strive to hire and keep quality people at every position. We pay all our employees, including drivers, by the hour with time-and-a-half for more than 40 hours, and we also pay safety bonuses. Drivers are even paid for the off-duty time it takes to load or unload a truck. We believe paying by the hour greatly enhances driver safety.

"Richard Metz became our Safety Director in January 1996, and he has been instrumental in establishing a quality safety program that has greatly enhanced drivers' positive attitude toward safety.

"With his vast political background," Thompson says, "he was
instrumental in getting new legislation passed in Richmond last year that will save truckers thousands of dollars in reduced sales tax on new truck and trailer permanent license tags. The possible elimination of personal property taxes on equipment is this year's objective.

Thompson's drivers are encouraged to voice concerns or problems with company management, and opinions are welcomed and encouraged. Most drivers are home every evening and weekends, and they are driving late model trucks and using modern equipment.

The company has a 401(k) plan and matches up to six percent of an employee's salary. Other benefits include $20,000 of company-paid life insurance, health insurance (including a vision discount plan), paid vacations, and paid holidays.

With a driver turnover rate of less than 10%, there is obviously satisfaction.

"Nine out of 10 drivers return to the company after leaving," Thompson says, and they are allowed to come back if they left in good standing.

"Fuel cost is another enormous concern," Thompson says. "We have a 20,000-gallon state of the art above-ground storage tank that was installed by Wel Enterprises at our facility in 1995. Because of this, we are able to buy fuel from Foster Fuels for all of our in-state hauling at an average price of $.12 under market price.

Maintenance

Thompson has five mechanics including Jeffery S. Putty, Director of Maintenance, who began with the company in March, 1992. He deals with all vendors and is responsible for the repairs and maintenance of all trucks and trailers.

"We work two shifts," says Putty, 37. "Having diversified people who can do it all (weld, cut with a torch, fabricate, and use a wrench, and who are comfortable with electronics, etc.) is a must for private garages. Coming from a dealer and distributor, I know how people are specialized. We have Internationals, Freightliners, Kenworths, and Mack trucks, as well as International, Cummins, and Detroit Diesel engines, so keeping up with today's technology is a must and keeps us all busy.

"I learned both diesel engine and DC electrical engines," Putty explains, "which has been a great advantage in working with today's electronic engines, particularly in regard to reading wiring schematics and using a multi-meter."

Putty was previously employed by Powell Truck & Equipment (an International dealer whom Thompson buys from) and Johnson & Towers Detroit Diesel.

"Bumper-to-bumper repairs made at Powell's really helped me learn complete truck repair and building stand-by diesel generator sets at Johnson & Towers was a big part of my education as well."

Putty cited Cummins Insite classes in Charlotte, N.C., and those on Detroit Diesel's 60 Series engine in Portsmouth, Va., as a part of his continuing education. Thompson Trucking also has its own certified state inspection program headed by Putty.

"We do complete in-house repairs," Putty says, "except major engine and transmission warranty work. On smaller warranty claims, we feel we can save both time and money doing them ourselves rather than losing a truck for a day.

"Our N-14/60 series tractors are greased at 8,000 miles," Putty says, "and completely serviced at 16,000 miles (oil, filters, grease). Service is the key factor in preventing problems, and teaching our people what to look for to prevent breakdowns and DOT problems (air lines, brakes, driveline problems, tires, belts). Extra checks take only minutes but save hours, especially when a truck is in another state.

"We try to keep spare trucks, however, which allows us to give the time needed for repairs and to do a job correctly. We do all trailer repairs, tarp systems, box vans, and dump bodies.

"Our wrecked trucks are rebuilt by Mike Shull," Putty says, "so a local body and fender man, who does an outstanding job at a very competitive price.

(continued)
Evelyn Perrow began work at Thompson Trucking in 1990. She is responsible for paying all sub-haulers and keeping daily stockpile reports so the company does not overship any stockpiles for customers. Forrest Bryant (seated), Senior Accountant, and David Pearson, Account Officer, review reports.

Thompson uses a DTK Pentium computer with a Cummins Insite package. The computer is hooked directly into an engine’s Electronic Control Module (ECM), which reads the engine and the electrical system to find problems with the truck. Then the ECM transmits fault codes to the Insite program that may then be looked up within the program. Troubleshooting is then performed to find and to correct the specifics of the problem. Diagnostic areas read by the software are miles driven, temperature, horsepower, diesel fuel rate, oil pressure, fuel economy, and road speed.

Vendors

Futty tries to work with a limited number of vendors and believes in “taking care of the people who take care of us.” Andy Kranz of Powell’s Truck & Equipment, Inc., in Lynchburg says his company’s relationship with Thompson Trucking has evolved into a partnership. “In any good partnership,” Kranz says, “there must be a certain amount of give and take, and that’s what makes this one work so well for Thompson, Powell and Navistar. We look at Ricky and his company as a partner, not just a customer.”

“We have enjoyed a wonderful working relationship with Ricky Thompson and his company,” says Edward Notareschi, President of South East Trailer Company of Lumberton, N.C. “He has been and continues to be one of our most valued customers since the early 1990s.

“Thompson Trucking has had very special needs in the dump hauling industry. They wanted to grow into the scrap steel hauling business, while continuing to be competitive in their other hauling of bulk products. By combining the latest and most advanced high-tech steel on the market today with South East’s proven designs, we were successful in meeting their needs while maintaining quality, weight, and durability in a product we knew had to be specialized. This has led to the purchase of over 40 South East dump trailers and has allowed Thompson to be recognized as one of if not the most successful and reputable scrap haulers in the southeast today.”

“I am very proud to be a part of the successful and growing company that we have,” Futty says. “Being able to work together and deal with everyday problems makes for a much better work environment. We have seen a big change the last five years in trucks, all
for the better, and for the most part, they still work the same way they always have, except for certain technological improvements such as those electronically controlled.

**Operations**

“A lot of hard work and long hours contribute to Thompson’s success,” says Scott Sayre, who became Fleet Operations Manager and dispatcher for all tractor-trailer operations in March 1994. Sayre deals with the lime, scrap steel, ash, household trash, and contaminated soil customers to ensure that all of their needs are met. T.W. Ballowe was hired in May 1997 to assist him.

“To be successful in today’s business you have to have dedicated employees,” Sayre says. “The drivers we have do a great job, which makes my job a lot easier, and our office staff handles our workload in an outstanding fashion.”

And the boss is not reluctant to get his hands dirty, Sayre says.

“People really look up to someone who works alongside them. A lot of time people stop by and ask to see Rick,” Sayre says. “They are surprised to find him in his coveralls changing tires, doing mechanic work, whatever. And on Saturdays we all pitch in to complete the week with maintenance work and loading and switching trucks.

“Rick has taught us that with a lot of hard work we can be successful in everything we strive to do. He has taught me well, and the drivers look up to him, too. This company has grown since my employment from about 20 employees to almost 100. Our company stands tall on doing a great job and having customer satisfaction.”

**Accounting**

Forrest Bryant began work for Thompson Trucking in September 1994, heading up the accounting department. He is responsible for all financial reports, including A/R, A/P, and taxes and has been instrumental in updating computers to ensure that Thompson gets quality financial information and that its financial management is achieved most economically.

The accounting department uses a Hewlett Packard Netserver 4/66 (Novell 4.1 Netware) with five Compaq Prolinea 486 workstations. The accounting software is an S.B.T. system linked with Transportation Management Software (T.M.S.) trucking programs. Freight tickets are entered into the T.M.S. ticket system and billed from there. The ticket system posts invoices to S.B.T. accounts receivable for collection, and all loads are entered into the ticket system. Thus, there are no unpaid or unaccounted for loads.

All financial accounting is performed in-house to ensure timeliness and accuracy of all records and accounts. Tax matters are handled with CPAs and consultants.

“David Pearson, our son,” Thompson says, “joined the company in 1995 coming from the banking industry. David processes payroll, generates weekly and monthly billing and log verification through our computer program system.

He is also responsible for matching driver logs to the time cards to ensure that all DOT requirements concerning logs are met.”

Thompson’s goal is to reach 225
Rick Thompson, father of three and grandfather of two, credits his own father's instruction for much of his business and personal success.

"My father taught me many valuable lessons in my early years by exposing me to all types of situations and allowing me to learn from my mistakes," says Thompson.

Thompson started riding in his father's truck at the early age of three, and by age 11, he was doing maintenance on the truck (including greasing, changing the oil, and replacing tires). When he turned 15, Thompson got his driver's license and began delivering lime and stone to local farms after school and during summer breaks.

By working in his father's maintenance shop, Thompson put himself through Lynchburg College in Virginia and earned a degree in business management.

"After graduating in 1970, I began working full time in my father's business driving trucks by day and doing all of the accounting by night," recalls Thompson.

After his father's death in 1975, Thompson purchased six tandem axle dump trucks from his father's estate and continued with the core business his father had established.

"My father taught me to work harder and longer than your competition, and more efficiently for all of your customers, then competition becomes secondary. Treat people fairly, do what you say you are going to do, and stay as debt-free as possible."

Thompson, whose hobbies include hunting and playing basketball with the guys at the shop, says of his business, "I am extremely humbled and honored by the faithfulness and dedication exhibited by all of our employees and customers in making this company what it is today."
Equipment Purchases

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*Average 17 trucks bought per year
*Average 19 trailers bought per year
*25 trucks and 20 trailers on order for 1998

In October 1995, salt spreaders and snow plow equipment were purchased to outfit seven dump trucks for snow/ice removal. Inclement winter weather greatly decreased the trucking business, and new equipment helped to supplement lost revenues.

Would a story on your fleet in Southern Motor Cargo be of interest to your industry colleagues? We are always on the lookout for interesting fleet stories, and we invite your suggestions and “nominations.” Just call (901) 276-5424; or send e-mail to buysouth@socomm.net; or write 1509 Madison Ave., Memphis, TN 38104. Thanks. We look forward to hearing from you.—JKL.

Tractor Specifications

Model: International Conventional 9300 and 9400, 51" Pro Sleeper and Non-Sleeper
Wheelbase: 207" Non-Sleeper and 234" Sleeper
Engine: Cummins N-14 460 hp
Engine Oil: Dryden
Engine Brake: Jacobs Compression Brake
Clutch: Spicer Solo 15.5" Two Plate Soft Clutch
Fan Clutch: Kysor
Batteries: Fleetrite 2775 C.C.A.
Driveline: Spicer SPL170
Alternator: Delco 33 SI 110 amp
Transmission: Fuller "Super 10" Ten Speed Overdrive
Transmission Oil: Dryden, Synthetic
Front Axle: Rockwell FF981/FF986
Rear Axle: Rockwell RT40-145 with 3:90 ratio
Suspension: International 40K Air Suspension
Tires: Goodyear 11R 22.5, G357 Front and G362 Rear
Wheels: Aluminum 22.5 Hub Piloted Front and Rear
Brakes: Rockwell Q Series
Brake Lining: Rockwell 145R-FF
Power Steering: Sheppard M-100
Auto Slack Adjusters: Rockwell
Fifth Wheel: Fontaine Air Slider
Air Dryer: Bendix AD-9
ABS: Bendix with Bobtail Proportioning

Dump Trailer Specifications

Model: Southeast Steel Frameless Dump
Length: 38’
Height: 60", 7 galvanized steel
King Pin Setting: 18”
Suspension: Single Point
Axle Type: Dana 40,000 lbs. Tandem
Axle Spread: 49”
Tires: 11R 22.5 Michelin
Rim Size: 11R 22.5
Wheel Type: 22.5 Spoke
Slack Adjuster Type:
Oil Seals: Stemco
Landing Gear Type: Holland
Tailgate: Two way Air Gate with Grain Door

Dump Tandem Axle Specifications

Model: International 4900 8x4
Engine: International DT 530E 300 hp
Clutch: Spicer 14" Two Plate Ceramic
Transmission: Spicer PSO 100-10 Ten Speed Overdrive
Driveline: Spicer 1710 HD
Front Axle: Spicer I-140S 14,000 LB
Rear Axle: Spicer J400 40,000 LBS with 4.78 Ratio
Suspension: Hendrickson RT2-400 Walking Beam
Brakes: Rockwell Q Series
Wheels: Steel Disc 22.5 Hub Piloted Front and Rear
Tires: Goodyear 11R 22.5 G159 and G362
Dump Body: Crysteel Paradox Box, 15 ft High Tensile Steel
Tarp: Donovan 9000 SU