



CLDA

Supporting the Customized Logistics and Delivery Industry

Summer 2015

Inside:

Trust + Partnership + Communication = A Good Relationship with a Shipper Client

The Re-emergence of On-Demand Delivery

Confused by HIPPA? Join the Club

Shippers Want to Do Business With You! What Are You Waiting For?

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IN THIS ISSUE

10 Trust + Partnership + Communication = A Good Relationship with a Shipper Client

12 The Re-emergence of On-Demand Delivery

14 Confused by HIPAA? Join the Club

18 Shippers Want to Do Business With you! What Are You Waiting For?

20 So you Want to Grow Your Business?

24 To Expand or Not to Expand Your Warehousing Facilities. That is the Question



DEPARTMENTS

Presidents Message..... 3
 New Members..... 5
 Government Affairs..... 6

In the News..... 27
 State Association Reports 42

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POSTMASTER: Send address changes to CLDA Magazine, National Press Building, 529 14th Street, NW, Suite 750, Washington, DC 20045.

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Kirk Godby
President CLDA

In this issue, you'll also find practical advice about the opportunities presented by app-based companies, dealing with HIPAA and how to tackle background checks

This month's magazine goes hand-in-hand with our annual meeting. It reflects the meeting's title "The Complete Package: Shipping, Networking and Education" in every way.

Want to know how to work with shippers? Check out the piece called "Trust + Partnership + Communication = A Good Relationship with a Shipper Client." It will give you insight into what shippers want to see from their carriers. It will offer you some specific advice about how to approach them at the show, too. Remember, they are coming to the CLDA Annual meeting to connect with you. So, before you meet them, read this piece and you'll get a running start on those relationships.

In the piece we're calling "Shippers Want To Do Business With You. What are you waiting for?" industry insider Rob Martinez will deepen your understanding of shippers' needs. This industry expert, columnist and Public Speaker surveys shippers about their attitudes regarding the use of delivery companies. He is often struck by the disconnect between what shippers want to hear from local and regional delivery companies and what those very same delivery companies want to say to them. This piece will help you talk about what you offer so shippers will listen.

In Jim Tompkins piece, you'll get practical tips on growing your business. This international authority on supply chain strategy covers three important areas: the process of growing your business, the challenge you'll face as you succeed and the services you should be offering to prosper.

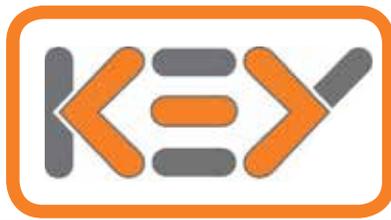
In this issue, you'll also find practical advice about the opportunities presented by app-based companies, dealing with HIPAA and how to tackle background checks.

We think this issue tees up the variety and depth of information you'll get from the CLDA Annual Meeting. Jason Burns and his Annual Meeting Committee have created a dynamic, contemporary and first-class show for you this year. Enjoy the magazine and then make the most of the doors open to you at the CLDA Annual Meeting to connect one-on-one with shippers, attend workshops, network with others in the industry, connect with agents and share common problems and solutions.

Together, the magazine and show will give you "The Complete Package" to help you succeed in this dynamic marketplace.

With regards,

Kirk Godby
President



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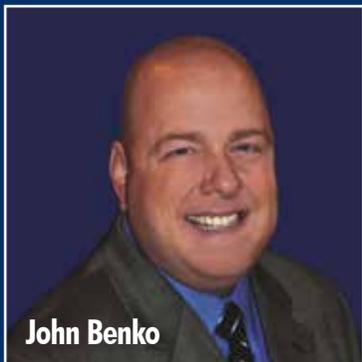
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CLDA Government Affairs Update



John Benko



Shawn Swearingen



Follow Us on Twitter and Government Affairs Newsletters!

Be sure to look for continuing Government Affairs updates via the CLDA Twitter account (@CLDAGovtAffairs) as well as on the CLDA website and email alerts.

If you have any questions on the CLDA Government Affairs activities or would like to become more involved, please contact Shawn Swearingen at sswearingen@theclda.com or Bob DeCaprio at bdecaprio@theclda.com.



Spring to summer is always a transition that happens in a blink of an eye here in DC. Just when you are looking forward to the cherry blossoms, the CLDA Annual Meeting and Congressional Summer Recess approaches! The CLDA Annual Meeting is always a great time for us in Government Affairs. Not only are we able to see association members and vendors, but we are able to put forth some great news of our activities on Capitol Hill and what we are looking at for the rest of the year.

For those companies that are Advocacy Donors, I hope you checked your in-box for your invitation to the Advocacy Donor Thank You luncheon! Without your support our Government Affairs and Advocacy activities would not be possible. If you did not receive an invitation or are not sure if you donate to the Advocacy Fund, contact me, CLDA Government Affairs Director Shawn Swearingen, at sswearingen@theclda.com or look for me at the meeting!

Capitol Hill Works

CLDA has been on at the forefront of the 114th Congress in order to capitalize on new members joining Congress and the new majorities. The Senate Finance Committee and House Ways & Means Committee have established working groups much like the previous session to develop potential tax reform language. Even with the largest majority the Republicans since the Roaring 20s, a tax reform package is an up-hill battle. CLDA is working with previous champions like Congressman Erik Paulsen (R-MN) and Senator Johnny Isakson (R-GA) along with developing new champions to carry the CLDA message in committees and chamber floors. We'll continue to be a part of the discussions and working with the various coalitions on Section 530 Safe Harbor policy issue.

During session weeks and recesses CLDA contract lobbyist Keith Smith and I are constantly in the offices of committee staff and leadership on both sides of the Hill discussing the impacts of increased Department of Labor audits. President Obama proposed in his budget to raise \$10 billion over the next ten years by allowing the Internal Revenue Service to reclassify ICs as employees. The Department of Labor

Wage & Hour Division is requesting \$49 million to “increase pressure on fissured industries.” Through the wearing out of shoe leather and our Prime Policy Group contacts we can state with confidence that resolving and removing DOL funding on the above items are at the top of the oversight committee’s agenda after the recess.

CLDA has pushed long on Section 530 Safe Harbor issue to not only provide protection for ICs but to provide clarity for ICs and those industries that utilize them. With the aid of the new leaders and Republican majorities, CLDA and the other associations we work closely with will not allow these proposals to move forward.

Work in the States

Although both federal and state legislatures are back in session, that doesn’t mean that constituents can’t find opportunities to meet with their elected officials. Federally, Congress takes several breaks during session to go back to their home districts to meet with constituents like you. Even though state legislatures typically don’t take the recesses to the extent that Congress does, they will still hold town halls and committee hearings on the road for various policy issues of interest to the state.

If you are interested in finding out when your Congressional Representative or Senator is back in your state or if your state legislature might be holding a committee hearing out of the capitol city and near you, contact Shawn Swearingen at sswearingen@theclda.com.

Lobby Day 2015 - Registration Open!

CLDA is shaking things up on Capitol Hill in 2015 by holding the annual Lobby Day event on **June 10-11th**. This year’s event will be held at the **Washington Court Hotel** on Capitol Hill; walking distance to Union Station and most importantly, the Capitol! CLDA has secured a room rate of \$299 a night for registered attendees.

Lobby Day is an annual CLDA event held in Washington, D.C. that gives you the opportunity to educate your elected officials on the concerns of the industry and to explain how your business is critical to the regional economies in the US. In addition to building relationships with your Representative and Senators, this event allows elected officials to understand our industry and our association.

Over the past 7 years, through relationships fostered at Lobby Day events with members of Congress, CLDA has been able to introduce legislation that protects the Section 530 Safe Harbor provision, as well as learn of potential negative legislation to the industry to get in front of. This event is also a great opportunity to meet and network with other active CLDA members from across the country.

Holding the event in June will also allow families to take advantage of traveling to Washington, D.C. when school is out. With so many monuments and the Smithsonian museums surrounding Washington Court Hotel (and in non-winter weather), this will be excellent opportunity to see our nation’s capital city!

Without you, CLDA will not be able to continue to educate officials in Washington on the critical role of your business in the national economy. We’ll see you on Capitol Hill!

News From Around the States

With changes across the board in many states CLDA is remaining vigilant on any harmful legislation to the independent contractor business model while promoting clarifying language. Republicans took Governorships in key states such as Illinois, Massachusetts, Maryland and Maine. In total, 24 states elected Republican Governors and 11 elected Democratic Governors. In preparing for the future and increasing grassroots outreach, look for future communications of team building in states where there are not yet state associations.

Massachusetts: I’d like to first issue a special thank you to all of the CLDA members and the MDA Board members that continue to push this fight forward and to protect our industry. The MDA’s summary judgment hearing was held on March 4th with MDA President Aaron Dribben and Xpressman’s Michelle Cully in attendance for the hearing. David Casey, MDA’s lead attorney at Littler Mendelson, stated that confidence remains strong for a positive decision after the hearing and a decision could be expected in “6-8 weeks”. Even before the summary judgement hearing, effects of the case are already coming to realization. Judgments in *Remington v. J.B. Hunt Transport* and *Schwann v. Fedex Ground Package System* cited facts established in the current MDA case. Look for updates from us when a decision is announced.

California Borello Factor Changes: CLDA has been hip-deep in talks with the California Chamber Coalition with contract lobbyist Chris Micheli over the last few months. The end goal of these discussions to have a broad-based revision for the state’s Independent contractor definition and Borello factor test introduced and then passed by the legislature. If your company operates in the state of California and you are not already a member of the California Delivery Association (CDA) and want to become active in the CLDA advocacy efforts please let me know!

State Association Meetings: Be sure to watch for your state association meetings in 2015! Several states have had meetings across the country ranging from California, Texas to Florida which you can read about more in the state update section. If you are not aware if your state has an association, contact Shawn Swearingen at sswearingen@theclda.com. **CLDA**

Thank you to everyone that contributed to the CLDA Advocacy Fund in 2015 so far!

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Trust + Partnership + Communication = A Good Relationship with a Shipper Client

BY ANDREA OBSTON, CLDA DIRECTOR OF PUBLIC RELATIONS



What makes for a successful relationship between a delivery company and a large shipper client? According to the shippers I've been talking to over the last few months: a true partnership, in my role as the PR Director for CLDA, I get the opportunity to learn from some very smart people who work in this industry. As we prepared for the CLDA Annual Meeting, I got the opportunity to find out why shippers from around the country wanted to come to this meeting to connect with our members. The short answer is that they want to expand their ability to reach more customers and they know that local and regional delivery companies are the key to making that happen.

So, what makes for a good relationship between a delivery company and a shipper? They've been telling me it's all about establishing a partnership that's built on trust. "We want them to understand that we're in this together," one shipper told me. What I've learning from a number of shippers is that the best relationships are built on honest communication of both the good and the bad. They want to work with delivery companies that they can count on. Companies that will go the extra mile for them. They look for companies with can-do attitudes and they told me that these carriers can expect them to reciprocate. Those kinds of relationships are built over time and are based on honesty and communication.



It Happens

The shippers I spoke with acknowledged that things don't always go as planned. Weather, highway conditions and last-minute changes are all part of this business. When things happen that are out of the carrier's control, they want to know about them sooner rather than later. And when the delivery company has dealt with a problem, they want to know about that too. The last thing a shipper wants is to find out about a problem from their customer. "Every customer comes to us demanding. We need our carriers to make sure we have a timely reaction to those demands. When customers want to know where their product is and when they'll get it, we need to be able to respond to those inquiries with information from the carrier so we can pass it on to our customers," one shipper told me.

For smaller things, like running late, shippers want to know the carrier has it under control. "I just have to know you're dealing with it and that you'll let us know when it's handled," one shipper told me.

Responsive Technology

Shippers have high expectations of the technology that delivery companies offer to them and their customers. What they most want from the carriers' technology is the ability to respond to their customers' demands and keep them informed about where shipments are in the supply chain. They want technology that pushes information to them about delays and gives them a head's up about any mistakes that are made on their end, mis-stocks or incorrect scans. Shippers also want technology that removes manual data entry for them.

In some cases, shippers admitted to me that their carriers were ahead of them in their use of technology. It was the delivery companies that introduced them to new ways of harnessing technology and pushed them to elevate their game in response.

Here to Broaden Their Networks

Over a dozen shippers lined up to meet new carriers at the Annual Meeting and I wanted to know why. Many told me they were coming with one goal in mind: to broaden their network of carriers. They come to conferences like this to take measure of the people associated with delivery companies. They also come to reconnect with current carriers. I was surprised at just how important it was for them to meet these providers face-to-face.

"I want to know what you do and do well and to understand who and what you've got on board to make it happen."

I also learned that large shippers don't add to their supply chains lightly. Many told me that the initial meeting is only the start. At that first encounter, they want to know what the company does and what geographical areas they service. But, beyond that, they want to know about the people in the organization and their attitudes towards investing in the employees and their infrastructure. What is their attitude towards service? How do they want to grow? What will they do and what won't they do? Answers to these questions that ultimately drive the decision to consider working with a provider.

They learn about these things through a variety of ways. Let's suppose they need to cover a new delivery area. The first thing many shippers will do is to contact those they trust in their existing network of carriers for their recommendations. They'll then do their own research, which can include a visit to a potential carrier. During those visits they want answers to questions like: Do employees look happy? What kind of office do they have? Are the drivers' uniforms clean? Are the trucks professional and well cared-for? Does the carrier invest in their people, their infrastructure and their culture? They do this because these shippers believe these factors will ultimately be reflected in the service the carrier delivers.

Parting Advice

In interviewing these shippers, I came away with some very specific advice about how to approach them at this year's annual meeting.

- Be real. Don't sell. Connect.
- Avoid telling them you can save them money
- Open the door to a partnership where both of you win

The best way to sum this up is what one shipper told me: "I want to know what you do and do well and to understand who and what you've got on board to make it happen."

*Representatives of over a dozen shippers have come to the CLDA Annual Meeting to broaden their network of delivery companies. Get to know them and to have them get to know you. There will be opportunities for that during formal Shipper Sessions on Thursday and Friday, by scheduling individual meetings with them, at networking events and through informal meetings throughout the conference. They are here to meet you! It's an opportunity you'll want to take advantage of to grow your business. **CLDA***

The Re-emergence of On-Demand Delivery

BY ROB HOWARD, FOUNDER AND CEO, GRAND JUNCTION



Can you imagine ordering a pack of T-shirts (I prefer crew-neck) from the Gap online and getting that purchase delivered 15 minutes later? Believe it or not, that super-premium service level once existed in several major cities in the U.S., Europe, and Asia. It was called “B15” for bike messenger delivery in 15 minutes.

In the 1990s, before the widespread use of email and online document exchange, the local delivery industry was delivering all those documents that are now digital: contracts, mortgage paperwork, blueprints, advertising proofs, and banking materials, to name only a few. Competition was intense among local carriers, so service levels started to rise.

Eventually, local delivery couriers started staging a pick-up person inside large buildings that had offices that initiated lots of

delivery orders. These pick-up couriers would be immediately dispatched by radio to the floor where the order was ready, pick it up, and head down the elevator to hand off the package(s) to bike messengers and walkers, who headed directly to the recipient’s building. The walker or biker would hand the package to the drop-off courier staged in the recipient building, or deliver it directly themselves, resulting in an incredibly rapid delivery.

It was high times for our local delivery industry and the peak of on-demand delivery. Every owner and messenger loved the sexy margins that on-demand delivery provided. So it was sad times when on-demand delivery started to disappear. The demise of on-demand delivery started with the fax machine, accelerated with email and was complete with Check 21 legislation in 2004 (http://en.wikipedia.org/wiki/Check_21_Act).



Anything that can be electronically transmitted goes by email or fax and on-demand delivery is a very small piece of the local delivery market size today.

However, e-commerce, rising customer expectations and the emergence of a whole new set of players is signaling a resurgence in on-demand delivery. In San Francisco alone, there are 68 apps that offer rapid local delivery as part of their offering (furniture, alcohol, cookies, etc.). In Denver there are 11 marijuana delivery companies currently active. Starbucks, Amazon and Google all have on-demand delivery initiatives.

Is this a flash in the pan of over exuberant venture capital money or are we at the front end of the re-emergence of on-demand delivery? My bet is we're seeing the beginning of a long term trend and the market size for local delivery will be dramatically increasing as a result. Amazon sets the standard for e-commerce and they continue to roll-out same day (now available in 11 markets) and on-demand delivery (recently expanded to Miami). Starbucks, Google and Target all are testing on-demand delivery so we should expect a lot more retailers, distributors and 3PLs looking to match this trend towards higher service levels.

When you couple the incredible amount of venture investment for emerging companies offering on-demand delivery and significant steps by established companies on on-demand delivery, it certainly signals a real re-emergence. Importantly, the fact that physical goods are driving this resurgence reinforces that it looks like a trend to stay since physical goods can't be sent over email.

Will service levels rise again all the way up to the B15 service level of the 1990s? It could happen a few years down the road, as more and more commerce moves online. In dense urban areas and neighborhoods near shopping malls, the density and distance equation just might match up. With better technology,

the emerging use of retail stores as pick-up points and growing delivery volumes, it's more likely than you think.

So if the re-emergence of on-demand local delivery is upon us, one would think that the local delivery industry is headed for a certain return to the glory days. Unfortunately, our industry is at risk of missing out on this growing market opportunity. Of those 68 emerging companies in the Bay Area, not one is using the existing local delivery industry. They are universally adopting the Uber model of going directly to independent contractors. Google is using dedicated vehicles, Starbucks is using a start-up (Postmates) and Amazon, who is using some local carriers, is slowly introducing company owned vehicles.

Here are a few strategies local delivery companies can implement to position themselves to benefit from this re-emerging opportunity:

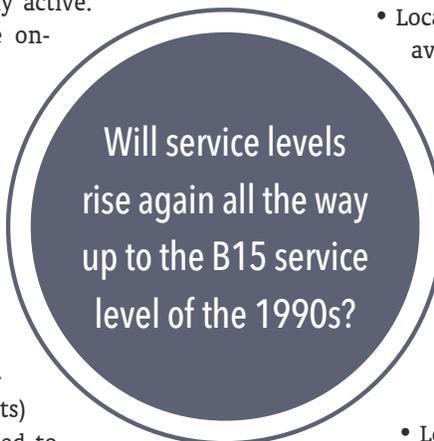
- As emerging companies that offer on-demand delivery as part of their offering start to expand and realize the challenges of managing local delivery, they will start to outsource. Be prepared to be flexible for the winners in this space and think of them as potential revenue sources instead of as competitors.
- Local carriers need to get away from an aversion to residential delivery which will be the majority of the emerging on-demand work. Many local carriers avoid residential programs due to lower density and customer service challenges.
 - Large national retailers are likely to outsource delivery from their storefronts to large 3PLs like they do for the rest of their logistics work. Reach out to 3PLs and position yourselves as storefront delivery agents.
 - Look to integrate with transportation management systems (TMS) and other technology platforms that shippers use to allocate deliveries as soon as you can.

Our local delivery industry has survived many challenges over the years including fax machines, email, Check 21, roll-ups and independent contractor issues to name a few. The re-emergence of on-demand delivery finally represents opportunity for our industry and we need to act boldly to reap the rewards.

About the Author

Rob Howard is a frequent speaker and blogger on local delivery and last mile logistics. He is the Founder and CEO of Grand Junction which provides a technology platform for shippers to access and manage local delivery programs. Prior to Grand Junction he was Founder and CEO of Ensenda Inc. which he sold to Transforce.

CLDA



CONFUSED BY HIPAA? JOIN THE CLUB

BY JIM BOOTH, CAE, PRINCIPAL, BRIGHTSTONE CONSULTING



Nobody likes bad surprises. Business owners who play by the rules should have nothing to fear. However, what if the rules change and you are unaware? One area where this kind of risk is high is the transportation of medical records and other protected health information. Courier companies need to be alert and aware of this changing landscape or face the potential of significant fines and reputational harm that could flow from the media attention that often surrounds a loss of personal data. If you stick blindly to past practices, you may lose some profitable business opportunities. Worse, if you take on too much risk without adequate protection, it could cost you your business. You could do worse than to bring this article to your attorney to review and discuss the implications.

BACKGROUND

Once upon a time, HIPAA, (information law governing health care records and practices) was a very simple matter for the courier industry. It just didn't apply. The federal government's

Health and Human Services Office of Civil Rights (HHS OCR), which governs HIPAA, created a very helpful provision called the conduit exemption. This exemption said that people who just delivered health information but who didn't access it or use it were simply "conduits" through which the information flowed. That means the law didn't apply to you, the couriers.

Regulations were bound to creep in at some point. The American Recovery and Reinvestment Act (ARRA) of 2009 contained provisions that required HHS to reconcile the various parts of HIPAA and extended fines and penalties to "Business Associates" who acted as vendors to health care companies. Business Associates are required to sign business associate agreements with their health care company customers in which they accept liability for breach of data and consequential fines and penalties along with their health care customer.

HIPAA establishes direct liability for Business Associates in the following areas:

- Meeting the requirements established in the Security Rule
- Notifying the health care company or Business Associate who hired them of a data breach
- Failing to create business associate subcontractor agreements with subcontractors who will be working with personal healthcare information (PHI)
- Using PHI for any purpose other than those authorized by the covered entity or business associate
- Meeting the requirements of the "minimum necessary" provisions
- Providing access to PHI for entities and individuals who request and are authorized by the health care company to receive information
- Cooperating with an investigation conducted by the Secretary of HHS and providing information as required

Also, it is possible that a business associate agreement may contain more liability than the items specified here. You should review any agreement with your attorney prior to signing.

The ARRA law also required the Federal Trade Commission



to begin rulemaking to deal with businesses that did not fall under HIPAA. On February 22, 2010 the Federal Trade Commission began enforcement of a rule outlining steps, such as notification of potentially impacted persons that must be taken in the event of a health information breach. The parties subject to this Health Breach Notification Rule include businesses that did not fall under HIPAA. For example, couriers are considered to be a service provider under this rule. The FTC is aggressive in their enforcement of this rule and other FTC rules that impact companies responsible for causing data breaches. When it comes to data breaches the FTC plays hard ball and couriers need to understand the potential risks.

OMNIBUS ISSUE

The ARRA law also resulted in the Health and Human Services moving forward with other regulations. In January, 2013 HHS issued its “Omnibus Rule”. Notably, this rule made the subcontractors of “business associates” (like couriers) subject to the same provisions and penalties as the business associates. Among other provisions, the Omnibus Rule requires all the obligations and responsibilities of the business associate to be passed down to the business associate’s subcontractors as well.

This establishes a potential conflict that catches couriers in the middle.

On the one hand, HHS has maintained the conduit exemption. So if a courier is doing work directly for a covered health care company, the determination by the courier’s customer that the courier is exempt from HIPAA Business Associate requirements under the conduit exemption is probably sufficient justification for not having a Business Associate Agreement in place (at least until HHS says otherwise). On the other hand, when a courier company who is arguably a Business Associate hires an independent contractor, then the law is clear that the IC must sign a business associate agreement with the Business Associate (courier company) who hired them. This difference in legal requirements based on who is doing the hiring is only one of several confusing points that HHS will eventually need to clarify.

BUSINESS ASSOCIATE AGREEMENTS

In the short term, IC couriers should understand that contracting with a Business Associate may bring with it a requirement that a business associate agreement must be signed between the IC and the courier company. In some cases, making a claim for exception due to the conduit exemption may make sense.

However, understand that the law is clear in its requirement that all Business Associates must have business associate agreements in place with all subcontractors. It should also be noted that not all business associate agreements are created equal. Some may contain objectionable provisions including substantial indemnification provisions and even unlimited liability requirements. These are the exception rather than the rule but they do exist. Legal counsel should study all such agreements prior to signature.

CLEAR AS MUD

With the Omnibus Rule, HHS attempted to clarify some of the conduit exemption gray areas, but these efforts seem to have created more confusion than clarification. Couriers should be aware that there is a parallel digital world as well where

Internet Service Providers, Telecom companies, etc. transmit sensitive personal data. These entities have also fallen under the conduit exemption. HHS writes, “We note that the conduit exception is limited to transmission services (whether digital or hard copy), including any temporary storage of transmitted data incident to such transmission. In contrast, an entity that maintains protected health information on behalf of a covered entity is a business associate and not a conduit, even if the entity does not actually view the protected health information. We recognize that in both situations, the entity providing the service to the covered entity has the opportunity to access the protected health information. However, the difference between the two situations is the transient versus persistent nature of that opportunity.”

That seems like a clear statement that couriers are off the hook. Still, to gain a sense of where HHS is leaning, it is helpful to look at other sources. Here is an example of HHS thinking after the Omnibus Rule was issued. In a May 2013 Counseling Today magazine interview, Rob Reinhardt talked with Health and Human Services Office of Civil Rights Senior Health IT and Privacy Specialist, David Holtzman, JD. Mr. Holtzman clarified the narrowness of the conduit exemption this way, “Both access and encryption is vital to organizations applying the conduit exception. They must only be transmitting the data and must have zero access to that information to qualify for an exception. This means that they 1) cannot store copies of any part of the data along the way (encrypted or not) and 2) must not have access to the encryption key used to secure and open the data “package.” The determining factor is whether data is encrypted from A to B and that the transmission medium

This difference in legal requirements based on who is doing the hiring is only one of several confusing points that HHS will eventually need to clarify.

doesn't have the key." The most important principle here that may have applicability to the courier industry is the fact that encryption or non-encryption is a selection that is generally made by the sender, not the conduit. Does this mean that a conduit provider's status as a Business Associate may depend, in whole or in part, on decisions taken by their health care customers or by Business Associates who are hiring the conduit entity? It is the lack of clarity in areas like this that create concern for anyone currently invoking the conduit exemption.

Current controversy is focused on digital conduit providers. HHS is sure to issue guidance or create additional rulemaking to clarify these areas. When they do, the ramifications of these changes will probably touch the courier industry as well.

STEPS TO CONSIDER

What can you do? Even if you don't consider yourself a Business Associate at this moment, it is possible that some future business opportunity may hinge on your willingness and capability to act as a Business Associate and sign a business associate agreement. Here are some things to consider:

- **Best Practice** – whether or not a courier has been advised that they fall under the conduit exemption, HIPAA business associate provisions make an excellent set of best practices where information security is concerned. Guidelines provided in the security rule can be used to evaluate your current technologies in use. Obligations imposed by HIPAA can form central elements of employee training. Breach notification requirements can be folded into incident response plans.
- **Contract Provisions** – when creating contracts, incorporate applicable HIPAA business associate provisions.
- **FTC Applicability** – if you are not a Business Associate by virtue of the conduit rule, your company still falls under the FTC Health Care Data Breach rule, which shares many similar requirements with HIPAA. Aligning your practices with HIPAA requirements will aid you in mitigating possible breaches that would fall under the FTC's breach rule .
- **HIPAA Continues to Change** – Even if you think, or have been advised that HIPAA doesn't apply to you, understand that this may not be the case forever and

any steps you can take now to align your practices with requirements imposed under HIPAA will be best practices you won't need to hurriedly enact later.

Also consider insurance for risk management. Several high profile common carrier breaches have occurred due to a failure in transport. Such breaches can expose you to high risk in the form of liability and costs stemming from your status as a Business Associate and any business associate agreements you have signed. A well-written E&O/privacy liability policy would be a smart choice. Your company's general liability insurance usually excludes data breach and privacy coverage. A more specialized insurance policy, variously labeled "E&O", "Privacy", or "Cyber" Liability, can provide protection against notification and credit monitoring costs, public relations and crisis management expenses, and lawsuits and claims from patients, health care companies, and other Business Associates. This type of coverage is widely affordable. When you own this insurance you are demonstrating a deeper understanding of client needs and risks, which can help strengthen your sales efforts and attract business.

CONCLUSION

Even though HIPAA's conduit exemption for couriers remains in place, it does not function as uniformly as it once did. The status of the party who hires the courier, (Covered Health Care Entity vs. Business Associate) seems significant as does the choice of the hiring company regarding their method of protecting information in transit. In both cases, it would appear that the control over whether or not the conduit exemption applies is out of the hands of the vendor and is based, instead, on the HIPAA status or choices made by the parties doing the hiring. Regardless of whether HIPAA is judged to be applicable or not, substantial data breach risk exists for couriers and their independent contractor drivers. Appropriate insurance should be considered to protect against data breach risks.

About the Author: Jim Booth is a principal with Brightstone Consulting and Records and Information Management Practice Leader at Brightstone Insurance. For a review of the consulting practice visit www.brightstoneconsulting.com or e-mail Jim at jbooth@brightstoneins.com. **CLDA**

Health Insurance Portability and Accountability Act is actually a grouping of several laws: the Privacy Rule, the Security Rule, the Breach Rule, the Enforcement Rule, The HITECH Act and the Omnibus Rule.

<http://www.hhs.gov/ocr/privacy/hipaa/administrative/securityrule/>

Health Breach Notification Rule 16 CFR Part 318. In case of a breach you are required to notify the FTC, each affected person who is a citizen or US resident and possibly the media; provide information about the breach as required by the rule; and are subject to a deceptive practice or act civil fine of up to \$16,000 per violation.

<http://www.healthcarelawtoday.com/2014/05/29/ftc-uses-its-unfair-acts-power-to-go-after-phi-security-breach/>

<http://www.gpo.gov/fdsys/pkg/FR-2013-01-25/pdf/2013-01073.pdf>

<http://www.business.ftc.gov/documents/bus56-complying-ftcs-health-breach-notification-rule>

UPS Loses Citigroup Data <http://online.wsj.com/news/articles/SB111807147451351811>

FedEx Loses Disks <http://www.healthdatamanagement.com/news/breach-disks-hospital-notification-40591-1.html>

Beverly Hospital Courier Loses Patient Lab Forms http://debug.cnhi.zope.net/salemnews/local/x1927889274/Beverly-Hospital-courier-loses-patients-lab-forms?zc_p=1



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Shippers Want to Do Business With You! What Are You Waiting For?

BY ANDREA OBSTON, CLDA DIRECTOR OF PUBLIC RELATIONS

Shippers want to do business with regional carriers, but the majority of volume parcel shippers have not yet explored the opportunity. In fact, less than 10 percent of volume parcel shippers make significant use of regional carriers. That's according to research conducted by Rob Martinez, DLP, CMDSS, President and CEO, Shipware LLC. This industry expert, columnist and popular keynote presenter annually conducts formal surveys with volume shippers to measure market attitudes, trends and other industry benchmarks. He is often struck by how little volume shippers know about regional delivery companies. "Our research shows that two-thirds of volume shippers are open to exploring the option of shipping with regional delivery carriers, but only one-third actually use them. And those that use the regionals only do so for a relatively small part of their overall distribution."

Why are shippers open to exploring regionals? "Well, they offer many benefits over national carriers including cost savings, improved service, customized solutions, simplified pricing/contracts, and other factors. Plus, shippers often report that regional delivery providers treat them like 'big fish', whereas they often feel larger nationals take their business for granted," explained Martinez.

Perhaps the most important advantage the regionals have over the nationals is lower operating costs. "Regional carriers maintain a low cost of operation through their regional focus, direct loading and transportation primarily via truck. Conversely, national parcel players operate costly airline fleet and multibillion dollar hubs," said Martinez. "With lower operating costs, the regionals can pass along to customers cost savings as much as 30 percent over the nationals. Regionals often offer pricing that carries no minimum charges, better dimensional divisors and fewer surcharges – an important point of comparison when you consider that 'accessorial' fees can make up as much as one third of all of the revenues the nationals generate. Many regional carriers do not assess charges common with the nationals like weekly service fees, Saturday delivery, additional handling service, large package surcharges, residential deliv-

ery fees and delivery area surcharges. Whatever the published surcharges, you are more likely to negotiate discounts and/or waivers with the smaller and hungrier regional carriers," Martinez said.

While it's true that shippers haven't integrated to any significant effect the regional carriers into their overall distribution mix, that is changing. "We asked shippers what they plan to do to keep costs in check over the next 12 months," says Martinez.

"Fifty-four percent indicated they will increase use of regionals as well as other providers like the US Postal Service."



Delivery companies need to emphasize what shippers want to hear in their sales and marketing efforts.

Lending to the shifting parcel market is the fact that many shippers are frustrated with the rate increases piled on each year by the Big Two delivery companies. Martinez explained: "The 2015 rate changes from the nationals amounted to the largest increase I've ever seen in my 25 years in the industry for several reasons. First, they eliminated the three-cubic-foot exception before dimensional pricing kicks in for Ground packages. With the 2015 rate increases, dimensional weight pricing will apply to all ground packages triggering increases as high as 50 percent or even more on some packages. Second, rates went up an average of 4.9 percent for all services, with six to eight percent increases for Air services. Third, rates for lightweight (1-30 pounds) Ground shipments – which represent 85 percent of Ground package volumes – increased more than the average of 4.9 percent. For example, 1-10 pound Ground packages shot up 6.2 percent. Fourth, FedEx will change the tables used to calculate fuel surcharges in February, increasing fuel surcharges an additional one to four percent. Finally, FedEx just announced yet another average rate increase of 8.3 percent on its SmartPost product. The compound effect of all of the increases is staggering, making 2015 the most significant GRI in history."

Moreover, shippers are frustrated with complex and extended contract negotiations with the national carriers. "In our most recent survey of volume parcel shippers, by a margin of nearly seven to one, shippers are finding it harder than ever to negoti-



ate contracts with the nationals. Many are frustrated by the conditional nature of pricing, revenue based incentives, minimum charges, dimensional pricing, dozens of surcharges, one-sided and even punitive contract language. Regional contracts just don't look like that. They tend to be way less complicated with fewer conditions, easy-to-understand rates and terms," Martinez said.

Big shippers also value the flexibility that regionals delivery. "In our 2013 shipper survey, 10 percent of those large shippers using regionals say they were not realizing cost savings, but rather used regionals because they preferred the service. Other competitive advantages include same-day service options, later pickups and earlier delivery times, and a wider local distribution footprint. Getting the nationals to be flexible can be a frustrating experience even for multimillion dollar shippers. Shippers that make the switch to regionals often see a greater degree of customer service and accommodation," he reported.

Yet, with all these competitive advantages, how is it that one-third of shippers are unfamiliar with many of the regional players and the benefits they offer? Martinez explained: "These nationals are some of the most recognized brands in the world – it's very difficult to compete with that. Regional carriers collectively generate an estimated \$800 million annually. That's all of them combined. Contrast that with \$104 billion in revenue between the Big Two, and it's easy to understand why many regional carriers struggle to compete with their deep-pocketed national competitors on brand recognition, driver/vehicle image, technology, manifesting automation, website integration, reporting, product sophistication and service consistency."

However, Martinez also thinks that regionals could do a better job marketing the right message to shippers. "I'm not sure that regionals are always emphasizing what shippers want to hear. We conducted a survey of regional carriers in which we asked them to rank what they felt was most and least important to their customers, the shippers. Then we compared those responses with most/least important factors as reported by shippers, and there's a clear disconnect. The results were surprising and indicate a lack of understanding of just what these shippers want. Shippers value cost savings, service reliability and convenience. Customized solutions and flexibility – often the primary marketing message of the regionals – are way less important to shippers."

So what's the bottom line for delivery companies that want to grow their market share and business away from their national competitors? Martinez offers this advice:

- **Emphasize what matters to shippers in your marketing and sales process.** "Be mindful of what's important to shippers - cost savings and quality service. And make it convenient to do business with you."
- **Proactively address shippers' perceived drawbacks of regional service, and shore up deficiencies.** "To many



shippers there are perceived and real disadvantages in moving business away from the nationals. Be proactive, don't avoid conversations about the following:

- Limited delivery service areas
- Lack of single source convenience
- Differences in tracking and service performance
- Potential of losing revenue-based discounts by diverting volume from the Big Two
- Lack of carrier-provided automation
- Vehicle and driver image
- Deficiencies in customer service, reporting and other support functions
- **Avoid going overboard when offering savings.** While cost savings is indeed critical to carrier selection, Martinez advises that regional carriers often go too far. "We asked shippers what savings percentage would be required to switch to regionals. The average was 10-15 percent. However, we know many regionals present pricing that offers savings of 30 percent or even more. You don't have to cut your margins that dramatically to have a good shot at the business," he counsels.

Martinez sums up his advice to regionals this way: "Shippers want to do business you. Educate the market on the revenue tactics of the Big Two, differentiate by benefits and value, listen to customers and proactively address perceived drawbacks. Remember, two out of every three shippers report they are open to doing more business with regionals. That's an open door to success you just have to step through."

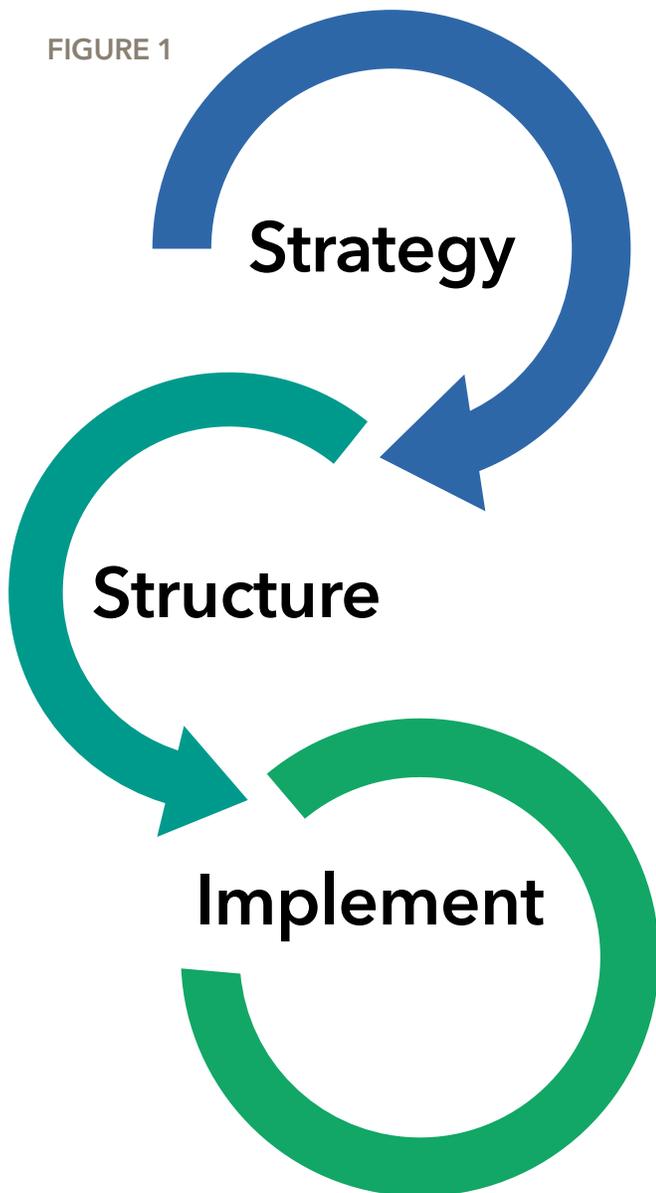
Mr. Martinez welcomes comments and questions. Contact him at rob@shipware.com. **CLDA**

SO YOU WANT TO GROW YOUR BUSINESS?



JIM TOMPKINS, CEO,
TOMPKINS INTERNATIONAL

FIGURE 1



Over the last five years I have spent a considerable amount of time with eCommerce shippers and with eCommerce carriers. Surprisingly, I have spent more time with Regional Carriers than I have with UPS, FedEx, and the USPS. The topics addressed ranged from shipper requirements, customer expectations, technology, innovation, new business models, economics, global considerations, asset-based vs. non-asset based, 4PLs, and many additional topics. I have had the pleasure of attending, participating, and speaking at several CLDA events as well as several retail forums and conferences. I have done videos, papers, articles, blogs, tweets, webinars as well as hundreds of phone calls and emails. When interacting with Regional Carriers, no matter how the conversation begins, at some point in the discussion we get to the question: “How can I Grow My Business?” Since I am unable to attend this year’s CLDA conference I was asked by CLDA to summarize my response to this extremely important question.

My discussions with Regional Carriers about “How to Grow My Business” focus on three different questions.

1. What is the process a Regional Carrier should pursue to Grow Their Business?
2. What are the challenges faced by a Regional Carrier as it attempts to Grow Their Business?
3. What are the services a Regional Carrier should offer to Grow Their Business?

What is the process a Regional Carrier pursues to Grow Their Business?

This question is the easiest of the three to answer. In fact, I have been giving this answer not only to Regional Carriers but to a wide spectrum of professionals involved in supply chain work for over 30 years. The answer is SSI: STRATEGY - STRUCTURE – IMPLEMENTATION. Figure 1 presents my thinking on the sequencing of these three steps. Strategy must always come before Structure and Structure must always come before Implementation. When this sequence of Strategy – Structure



– Implementation is not followed my experience has been you will not be successful in accomplishing your objectives. If you do not first define the Strategy of Growing Your Business and then build the structure of your business upon this strategy and then diligently and methodically implement this structure you will fail to Grow Your Business. Your business strategy must define the service offerings and the accompanying capabilities that it must have in order to Grow Your Business. These service offerings and accompanying capabilities must define your customer promise, your product offerings, and your value proposition. These service offerings and accompanying capabilities drive the structural design of your organization, business processes, facilities network, transportation requirements, technology requirements, key performance indicators, and financial requirements and results. This structure serves as the roadmap for implementing the strategy that will beget the Growth of Your Business.

What are the challenges faced by a Regional Carrier as they attempt to Grow Their Business?

This second question is different for each Regional Carrier. There are clearly some recurring themes that can be identified:

1. **UPS/FedEx/USPS are Dominant:** UPS/FedEx/USPS control at least 90% of final mile deliveries. Regional Carriers are making small inroads but for the most part Regional Carriers are small companies with revenue under \$35 million and 250 vehicles. They continue to fight an uphill battle.
2. **New Competition is Aggressively Pursuing Market Share:** Airbnb, Amazon, Club O, Curbside, Deliv, eBay, Gett, Google, GrubHub, Kanga, LaserShip, Lyft, Mr. Doorman, Overstock, Postmates, Sears Shop Your Way, Sidecar, Uber, VRDO, XPO, and many more are entering the final mile market.
3. **Uber for example has said they want to be,** “the grid for transportation, logistics, and delivery.” These new competitors have a wide variety of offerings with which Regional Carriers need to compete.
4. **Holiday Peaks:** The easiest business to operate is a consistent business where the customer requirements are the same day-to-day. Unfortunately, the business of the Regional Carrier is very inconsistent having a wide variety of peaks throughout the year. Holidays, special events, and special promotions result in Regional Carrier delivery requirements being very erratic, especially around the holiday season. Volumes of three to four times the average result in Regional Carriers needing to have great adaptability to deal with these peaks.
5. **Shipper Reluctance:** There have been several studies that indicate between 50% and 70% of all shippers are not willing to consider a Regional Carrier. This bias against Regional Carriers is a significant constraint on Regional Carriers as it limits the pool of shippers that can become customers.
6. **Mobile Impact on Order Size:** Over the last two years, as the percentage of orders from mobile phones and tablets have increased, the size of the orders from laptops has decreased 10% to 12%. This reduction in order size has been accompanied by an increase in the cost of final delivery and an increase in customer expectations of delivery speed.
7. **Same Day Delivery:** There are substantial opportunities for same day delivery for food and beverage, alcohol, medical supplies and certain high value items. I general same day deliveries are more hype than reality. Customers will accept same day delivery as long as the service is free, typically they are unwilling to pay for same day final delivery. In fact, the economic viability of same day and next day delivery needs to be evaluated before Regional Carriers invest in providing these services. Often these services are not financially viable.

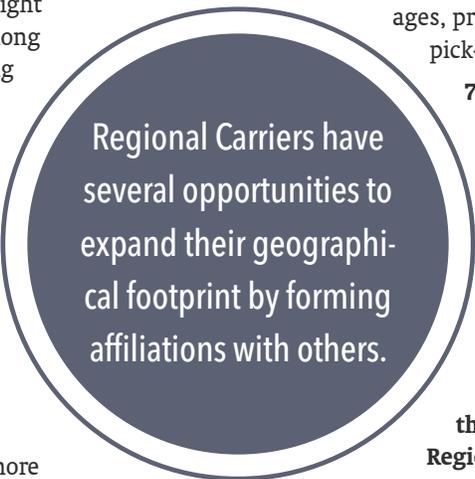


8. **Consolidation or Reluctance to Diversify:** Shippers desire to work with fewer providers. Typically Regional Carriers only operate in two or three states. To put together a full coverage network via Regional Carriers would often result in a substantial increase in the number of providers shippers would have to work with. This “fewer providers” mindset can result in the consolidation of existing networks or in a reluctance to diversify the number of final delivery providers.

What are the service offerings that a Regional Carrier should offer to Grow Their Business?

Independent of the constraints and challenges presented in Question 2, Regional Carriers do have considerable opportunity to Grow Their Business by enhancing their service offerings.

1. **Major Opportunities:** The duopoly of UPS and FedEx has resulted in general rate increases in the 3.5% per year range plus increases in dimensional weight pricing and accessorial charges. This, along with the growth of eCommerce shipping volumes has resulted in a competitive landscape where major opportunities exist for Regional Carriers. Industry pricing positions Regional Carriers to Grow Their Business by being very price competitive while being profitable.
2. **Shippers Control:** Shippers often see themselves at a disadvantage with the UPS and FedEx duopoly when it comes to contracts, negotiations, and controls. While being held more and more accountable to their customers. This has resulted in shippers seeking out the more “User Friendly” environment of the Regional Carriers. Here is where the “Customized” portion of the CLDA handle really comes into play and offers Regional Carriers a significant opportunity to grow.
3. **Customization:** Related to shippers control is the shippers desire to work with carriers who offer low costs, who can scale their offerings, who provide cutting edge technology, financial stability, reliability, and longevity. Regional Carriers ability to localize their service offerings, increase their density of delivery, offer their specialized services such as pick-up points, reverse logistics, personalized services, and customer satisfaction feedback. This customization of service is seen by shippers as a plus and offers Regional Carriers a significant opportunity to grow.
4. **New Game:** The rate of change in the final delivery business over the last several years has resulted in the final delivery business becoming a whole new game. Game changers like dimensional weight pricing, fuel surcharges,



exponential growth in volumes, the merging together of B2C and B2B, marketplaces, and others have all created opportunities Regional Carriers growth.

5. **Affiliations:** Regional Carriers have several opportunities to expand their geographical footprint by forming affiliations with others. More geographic coverage can occur by joining a 4PL group, forming alliances with other Regional Carriers, or forming an alliance with the USPS. These alliances offer significant opportunities to grow the Regional Carriers business as they offer customers a more robust solution.
6. **New Services:** Opportunities to grow a Regional Carrier business can come from new services or by refining existing services. There are many opportunities here. A few to consider include: offering flat rate delivery, creating shipping clubs, enhancing personalization, offering promotional reduced price shipping, facilitating click and collect, offering Saturday or Sunday delivery, providing for time definite delivery, offering the capability to hold packages, providing for ease of returns, offer latter pick-ups, or earlier deliveries.

7. **Mergers and Acquisitions:** In part because of the fragmented nature of the business, there are possibilities for Regional Carriers to grow. There are huge synergistic opportunities afforded through mergers and acquisitions, both to sellers and buyers.

Conclusion

Understanding the answers to the three questions is extremely important to Regional Carriers:

1. What is the process a Regional Carrier should pursue to Grow Their Business?
2. What are the challenges faced by a Regional Carrier as they attempt to Grow Their Business?
3. What are the service offerings that a Regional Carrier should offer to Grow Their Business?

I see huge opportunities for Regional Carriers to Grow Their Business by deciding what portions of this article are most important to them and then to drive these choices into substantial growth.

About the Author

James A. Tompkins, Ph.D. is CEO and Founder of Tompkins International. He is an international authority on supply chain strategy, focusing on implementation of end-to-end supply chains that are demand driven. His 35-plus years as CEO of a consulting / integration firm and his focus on helping companies achieve profitable growth give him an insider's view into what makes great companies even better. **CLDA**

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To Expand or Not to Expand Your Warehousing Facilities. That is the Question

CLDA Board Member Steve Howard was recently featured in a column on the Eye for Transport website. Here are his comments on warehousing facilities

In warehousing logistics, there's a great space challenge. When is the right time to expand your warehouse facilities? And when is it time to make better use of what you have? These are the questions we posed to Steve Howard, President of Esquire Express in Hialeah, FL and a member of the Board of Directors of the Customized Logistics and Delivery Association.

During his 25 years in the logistics business, Steve has done it all: From owning his own warehouse, to leasing space, to expanding and contracting when the economy failed. Today, his business has 65,000 square feet of warehousing space at its disposal and he's considering expanding in the summer.

Steve offers his advice about balancing the needs of current and future clients with the financial realities of the warehousing business.

► **Question:** The big question is always how much space is too much space?

► **Howard:** It's always a balance. You want enough to make a profit from existing accounts plus room to grow so that you can keep bringing in new business.

You start with your current clients' needs. You have to push them to communicate their plans. They don't always tell you. There has to be good and open dialog with customers in terms of what their future plans are. You need to know about any upcoming spikes in their business so you can adapt. Speak to your clients often about upcoming trends in their business. Don't be blindsided when things happen. Learn what you can by maintaining two-way communications with your clients.

I did that aggressively at the beginning of 2015. I called all my

customers and said, "Look at your crystal ball. What do you see in next year, in the next three years? In the next five? I'm not asking you to commit. I'm trying to get a feeling of what you think the future will hold." I got some really useable info, which is one reason that I'm considering taking on more space.

Let me tell you what happens when a client blindsides you with a huge influx of business: Last summer, we got caught off guard by a number of our clients who deal with kitchen cabinets. We do a lot of business in this sector. In June the factories

were running behind on orders. So they were telling our customers (cabinet retailers) that they needed to order 60 days out. Which they did. Now, here's the rub: the factories were able to deliver those cabinets in less than a month, but my clients' customers weren't ready to accept them. Everything arrived at the beginning of August. We ran out of space to store them until the customers were ready for them. On top of that, two of our larger customers ran massive 10 percent-off sales. There was a huge pent up demand for the product, so lots of people took them up on their offers.

It was a good news/bad news joke for us. We had the business. We were using our space to the max. But we ran out of places to put all the merchandise. It got so bad that we had to rent trailers to hold excess inventory. And because our warehouse was so full, we had to move things around to fulfill orders. When you're touching things too many times, damages go up and it's tough to keep track of everything.

► **Question:** What do you consider taking on more space?

► **Howard:** Two things: profitability and market volatility. In the logistics world we're confined by our four walls. They dic-



In hindsight, I should have bought a larger building that allowed me to grow instead of one that was perfect for the size at the time.



tate how much we can take in, how much we can push out and how much new business we can go after. If we're confined by our four walls, it's a challenge to attract new business. And there's where the challenge lies.

On the other hand, if you are paying rent on more space than you've got business to fill it, you've got a problem. Available (i.e. unused) square feet translates to space you're not earning income on, but you're paying for.

Volatility is all about the swings in rental rates for space. If you're in a stable market in terms of the rental rates, say two or three percent a year, there isn't the push to nail down a long-term rental rate for a large amount of space with your landlord. But if you're in a market like mine, where we can see 20 percent spikes in rental rates overnight, you may want to look for longer term arrangements with a landlord to lock in rates.

► **Question:** Speaking of landlords, talk about working with them.

► **Howard:** You want to deal with a landlord who's both local and flexible. Local because they have the ability to be flexible. They are willing to work with you as you expand and contract over time. Landlords that are used to dealing with logistics companies understand that. It's a risk they are willing to take, but that's not the case with big national landlords. They won't make concessions and they won't work with you as you expand and contract. My advice is to find a local landlord with significant square footage that's willing to work with you.

For example, I'm thinking about taking on a third-more space. I have the possibility of a new and rather large customer, but they aren't ready to commit right now. One of the landlords I'm considering working with is someone who's willing to allow

me to take the 100,000 square feet I need, but only charge me for the space I'm actually using right now. And he's willing to do that for eight months. After that, he'll allow me to sub-let any space I don't need. This allows me to have that space available if the client moves without taking on the expense of paying for the full space while they consider it. That's why I like dealing with the local guys. They are more willing to make a deal especially if they understand the logistics business.

Whenever I negotiate a new lease I build in certain clauses that allow me to take more square footage when I need it and scale down when I don't. I won't do business with a landlord who won't build that into the contract. Without that clause I'd potentially be paying so much in rent that it would put me out of business.

► **Question:** What about owning your own space? It's certainly one way to avoid parrying with landlords. What's been your experience?

► **Howard:** I've done it all. I bought a warehouse and office complex at the height of the boom cycle. But I made the mistake of buying a building with just enough space to meet my needs at the time. When I got more business I had to rent space in three other buildings. So there I was, owning one building and renting space in three others. In hindsight, I should have bought a larger building that allowed me to grow instead of one that was perfect for the size at the time. So, the big lesson here is if you're going to own the property you have to own more than you're going to need at the time you purchase it.

Now, let's talk about the ROI of owning a building. If you're looking to buy a substantially larger building than you need, you have to look at the make-up of tenants who are already in that building. Do they fit with your business? Are they in stable industries so they'll be able to pay the rent each month? If the economy is strong and rents will go down, will they leave for lower rents? What will the impact of that be on your ability to cover your costs?

Owning a building also taught me another lesson: I don't want to be a landlord. When you're the landlord you're no longer in the logistics business; you're in the leasing business. You have to worry about everything in that building from the cost of routine maintenance to the expenses that are a result of catastrophic events like hurricanes and snow storms. I found out that I don't want to be in the leasing business. I want to stay in the logistics business. So I sold the building and now I lease. I don't have to worry about being a landlord and I don't miss it.

In the end, it's all about balance. Balancing current needs, new business prospecting and the return on your investment. And that balance will change at various times in your business' life. The best advice I can offer is that you keep an eye on the space you have, the needs of your clients and the ultimate profitability of your business. **CLDA**



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John N. Hove has joined the national law firm of Scopelitis, Garvin, Light, Hanson & Feary in its Dallas/Fort Worth office, effective April 1, 2015.



Prior to joining Scopelitis, Hove was the Senior Vice President and General Counsel of Cardinal Logistics Holdings and Greatwide Logistics Services, both major North American logistics firms; General Counsel of Willbros Group, Inc., one of the world's leading pipeline and oilfield services contractors; and a partner and head of

the international business practice sections at two leading law firms in the Southwest.

Scopelitis is a full service law firm that serves the trucking, transportation, and logistics industries from its offices in Indianapolis; Chicago; Washington, D.C.; Los Angeles; Chattanooga; Detroit; Spokane; Dallas/Fort Worth; Milwaukee; and Philadelphia/Mt. Ephraim, New Jersey.

Hove's practice touches all aspects of international transportation trade and business transactions, including foreign entity establishment, acquisitions and divestitures, contract drafting and review, export and import regulation, customs issues, FCPA compliance, OFAC compliance, agency and distributor arrangements, dispute resolution, insurance and tax planning.

Hove also has provided counsel in corporate governance and the management of diverse legal services for both domestic and foreign transportation and logistics enterprises. Hove has handled transactions in more than 90 countries and has a network of professional resources that extends into virtually all regions of the world. In addition to his work on structuring and negotiating a wide variety of business transactions and advising on corporate governance matters, Mr. Hove has substantial experience with risk management programs, crisis management and human resources issues.

Hove earned his law degree in 1972 at Southern Methodist University School of Law in Dallas, Texas, and his undergraduate degree in 1969 at The University of Tulsa in Tulsa, Oklahoma. He is a member of the Texas State Bar, the Oklahoma State Bar, and the American Bar Association.

"Several of the firm's attorneys already have extensive experience assisting clients with international transportation issues and advising on related aspects of U.S. regulatory law," said Greg Feary, President of the Scopelitis firm and one of its Managing Partners. "However, John's broad international

background, coupled with his specific experience in the transportation industry, will enable the Scopelitis law firm to significantly expand its international transportation and logistics practice." Feary said. The Scopelitis firm's expansion of its international practice has been further augmented by its recent designation as the Transportation and Logistics Specialty Firm for the TAG Alliances, according to Feary. The TAG Alliances are a well respected network of more than 260 law firms, accounting firms, and specialty service providers with more than 500 offices in almost 100 countries around the world. Members of the TAG Alliances are recognized as leading professionals in their respective jurisdictions. **CLDA**

INTEGRITY MEDICAL COURIER TRAINING announces expanded training options!

Integrity has expanded its on-site training options to one, two, or three days! Depending on the size of your company and variable driver schedules, having Ken train at your location may be the best option for you now because we can squeeze in two, three, or four training sessions into one day! The two and three-day options include site and route assessments, and even sales meetings you schedule with your clients!

In addition to the on-site additional services, Integrity is updating its on-demand "Bloodborne Pathogen Awareness" option for IC's and has made it even more affordable at just \$14.95 per person. For those companies who only need HIPAA compliance training, or want their IC's to also be trained in HIPAA awareness, Integrity is working in conjunction with CRC Compliance (Keith Carrington, who is on our Advisory Board), to make available an on-demand training option that will be available by May 15th for just \$15.00 per person! And soon to come, an Administrative option that will include Disaster Mitigation ideas, small business office short-cuts, and other basic miscellaneous office helps for those companies who operate without office help.

Integrity is available for live webinar training from 7am to 11pm in every time zone, and offers subscription service so you can pay once or monthly, and train all year long! That's right! Send your new drivers, dispatchers, sales, and office staff to us at hire and as long as you're on our subscription plan, you don't need to worry about paying every time! Just give your worker our number and we'll get them scheduled!

For more information about our Training options, contact Ken Arnold at (719) 502-7081

For more information about subscription service, or the Medical Courier Connection or 2015 Summit, contact Linda Arnold at (719) 352-5495 **CLDA**



Xcelerator Raises the Bar with Cross Browser, Cross Platform and Tablet Ready Version in Generation 2 Release

Wall Township, NJ – Key Software Systems, developers of leading last mile delivery dispatch software, Xcelerator, are proud to announce that the 2nd generation of Xcelerator is now available for update. Xcelerator G2 empowers customers with added features and a cross browser, cross platform, tablet ready application that unchains them from their workstations, creating the most agile software application on the market.

Xcelerator G2 incorporates a smooth design with updated graphics, enabling users to operate Xcelerator in Safari, Internet Explorer, Firefox and Chrome on workstations, laptops or tablets. Some of the added features included are multi-column sorts, click-n-drag column selections and widths, and the mobile dashboard reporting app, Vantage Point.

Vantage Point is an Executive level app available in the App store and Play store that offers Executives detailed dashboard

reporting highlighting the real-time or historic metrics of what is happening across all areas of their business directly from their smartphone or tablet. Interactive, click-through reporting on Accounting, Sales and Operational data brings in a sharp perspective while on the go. Vantage Point is offered at no cost to Xcelerator customers, bringing a user-friendly interface that works across any mobile operating system.

System Architect Chris Miller comments, “We entered this market in 2001 with a major advantage. The web had matured to a point where we could build a world-class, enterprise application on web technologies. This brought great power and flexibility to customers which could never have been achieved with typical windows applications. With Xcelerator Generation 2, we are once again taking advantage of the latest technology to empower customers with the flexibility to run Xcelerator on any operating system with any modern browser. We’ve received tremendous positive feedback from customers who can now, for example, run real-time reports on their iPads from anywhere in the world.”

Xcelerator & MobileTek are enterprise-class software solutions designed by Key Software Systems, for today’s courier, messenger, logistics, distribution and warehousing industries. For more information, screen shots and detailed descriptions, visit www.KeySoftwareSystems.com or call 732-409-6068 to speak with a representative. Follow us on Twitter for up to the minute technology information @KeySoftwareSys. **CLDA**

Customized Logistics and Delivery Association Appoints New Director of Operations



Amber Thichangthong has joined the staff of the Customized Logistics and Delivery Association (CLDA) as Director of Operations and Kellen Company Account Coordinator. She brings over a decade of work with associations and nonprofit organizations to the position.

Before joining the CLDA staff, Amber was the Coordinator of Information and Education Programs at the American Psychiatric Nurses Association. Prior to that, she was a Program Assistant in the Center for Service and Civic Engagement, a component of Old Dominion University’s Office of Leadership & Student Involvement. She began her association work with the Military Order of the Purple Heart.

Amber is a member of the American Society of Association Executives and a graduate of Old Dominion University ‘12.

CLDA



24/7 Enterprises

Transportation is our Specialty, Satisfaction is our Priority!

Since our inception in 2000, 24/7 Enterprises LLC, has become one of the most reliable transportation companies in the nation. We strive for excellence in every single aspect of our work. As a result, we don't settle for anything less than the absolute best! Our Team is well qualified to handle any and all tasks including and never limited to: Same Day, Rush, LTL, FTL, Exclusive Courier, Medical, Pharmaceutical, and special needs transportation.

We now have the ability to provide warehousing, fulfillment and distribution throughout the nation!

Furthermore, we service both commercial clients as well as government agencies with the understanding that every client is equally important. Instead of making false promises in which we can't keep, we are completely honest with our clients. Whether you have business or personal shipping needs, live trained professionals are standing by 24 hours a day, 7 days a week to assist you.

Our reputation is based on quality services and consistently high levels of customer satisfaction. In 2007, our company expanded to include a top-of-the-line medical transportation service. In addition to our courier and logistics services we are now able to offer Non-emergency transportation, car service, and shuttle service provided by our friendly and very professional staff. In 2014, we expanded into the trucking business and began hauling vehicles across country from east coast to west coast. With all our new ventures and increasing revenues, 24/7 Enterprises remains very competitive in our field. Now averaging over 350 monthly assignments, just through our Non-emergency medical division.

- April 2014, SBA named 24/7 Enterprises, LLC, 15 best firms that had the most growth potential in New Jersey!
- October 2013, New Jersey Business Magazine published an article named 24/7 Enterprises, LLC as one of the successful small business that is taking the advantage of the government certifications and contact opportunities! **CLDA**

Our reputation is based on quality services and consistently high levels of customer satisfaction. In 2007, our company expanded to include a top-of-the-line medical transportation service.



Deliveries are Never Humdrum: Diligent is always in GEAR!

Diligent Delivery Systems has been in business over 20 years and has delivered and experienced the usual B2B and B2C delivery of envelopes and packages. No kidding, we have seen a LOT of them! However, in addition to the usual, our expertise is in overcoming logistic challenges. Some of our unusual deliveries have included: a heart, time-sensitive water samples for summer water parks, racing engines, and a mechanical shark for SharkFest week among a multitude of other special deliveries.

As far as our extremely inspired and talented pool of employees goes, we have a variety of interesting employee experiences. Mike interned and operated on cadavers while studying forensics, Heather was a kidney donor, Cliff is a three time dart champion, and another unsung talented employee includes Gina who can play 11 different musical instruments.

As a Diligent customer or independent contractor, you'll be treated like you are one in a million because to us, everyone is treated just THAT special. From packages, personal attention to peace of mind ... Diligent delivers.

Call us today at 877.495.3967 if one of our talented staff can be of service to you! We look forward to an opportunity to help you overcome any logistic challenge and stand ready to understand and serve your needs. **CLDA**

OnTime 360 Courier Software Enhances API with Webhooks

Medford, OR, – OnTime 360 courier software, provided by Vesigo Studios, recently added Webhooks to its OnTime API. The OnTime API allows users to connect other applications and services to their OnTime account. These new Webhooks are available as part of the OnTime Workflow Designer and make efficient, real-time, two-way communication a reality for anyone using the OnTime API.

“We are always excited when we can implement a technology that will open up more opportunities for couriers. By extending our platform API with Webhooks (HTTP POST) we are able to make real-time communication a reality for our customers in the developer community. And because of the ubiquitous nature of HTTP POST, virtually any system and programming language can take advantage of this,” says Jeremiah Tilley, Principal Software Architect at Vesigo Studios.

A webhook is like an API endpoint, but inverted, allowing applications to receive output from OnTime. Instead of making a call to the OnTime API, users define a callback URL that OnTime will HTTP POST information to as events occur. That callback URL can then execute code based on those POSTs. Webhooks are compatible with virtually any programming language, website, or software system.

The two-way communication that Webhooks make possible can be utilized by developers to create apps that send and receive information from customers and employees. Additionally, OnTime can now be connected to existing applications and services and make more effective use of actions relating to communication. The OnTime Workflow Designer makes it possible to set up Webhooks that automatically post with dynamic information when a subscribed event occurs. This is accomplished by including dynamic data in the query string of the URL as it is posted.

The OnTime API is available with OnTime Enterprise subscriptions and higher. Informative and instructional documents are available at OnTime360.com.

About Vesigo Studios

Vesigo Studios, provider of OnTime courier software, is a software development studio with a proven track record of building successful business solutions for our clients both large and small. Established in 2000, Vesigo offers years of software development and internet solutions experience. Vesigo always keeps pace with new technologies, creating solutions that boost productivity and make fiscal sense for our clients. For more information, visit ontime360.com. **CLDA**



Lightning Express Delivery Service would like to congratulate our own Doug Foster on being a recipient of the NYSMTA Driver of the Year Award (Eastern Region).

Excellence in all we do, something Doug Foster embodies everyday. The NYS Motor Truck Association Driver of the Year Award goes to a driver with outstanding driving records and who displays their professionalism both on and off the road. Winners are often very involved in their community, through safety education or other civic pursuits. Doug is no stranger to these qualifications. Doug has served in the U.S. Army 101st Airborne, 25 years in both the Modena Fire Department and Wallkill Ambulance squad, Senior member of Civil Air Patrol, and has had 21 years of commercial driving with no accidents. Doug continues to lead by example in his community and at work with his colleagues. Whether it's in the field volunteering his time, or driving commercial vehicles at work, Doug takes pride in the work he does. Congrats Doug, thank you for your service to your community, and keep up the good work! **CLDA**

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Hero Tales - Dropoff Helps Airbnb Surprise & Delight

South by Southwest (SXSW) is always a crazy time in Austin. The city is flooded with tens of thousands of visitors from all over the world to join in a festival of technology, movies, music and fun. Businesses in the service industry see SXSW as an opportunity to connect with their customers. For Airbnb, a fairly young company that prides itself on service that goes 'above and beyond', SXSW was the perfect occasion to surprise and delight their many core users in attendance.

However, Airbnb doesn't have a physical presence in Austin, so that made things difficult. That's where Dropoff came in. The company told us they wanted to assemble and deliver hundreds of special welcome gifts for their SXSW guests across town, with different arrival dates and a fair bit of manual attention required. We sprang into action and ended "dropping off" some very special Texas-style pinatas for their prized guests. **CLDA**



Quality Transportation secures the delivery of patient prescription medications for leading health care provider when their prescription processing software suffers an outage



Florida Quality Transportation's Anthony Pavone, VP, Business Development

Quality Transportation, a leading provider of medical logistics based in Long Island City, NY played a critical role in the

delivery of patient prescription medications for a leading home healthcare provider when their prescription processing software suffered an outage.

Quality's Deerfield Beach Florida team, in conjunction with Anthony Pavone, Vice-President, Business Development, was alerted to be on "stand by" to service over 400 patient prescriptions once their software was operational. Within hours, the Quality team developed and implemented a service plan requiring the allocation of multiple drivers delivering the prescriptions within the tri-county area, over a six hour period.

Quality Transportation's understanding of patient care, sense of urgency, driver resources and seamless dispatch operations played a critical role in the delivery of patient prescriptions without any interruption of their treatment plans.

If your deliveries require "QUALITY" handling, choose Quality Transportation. To learn more about Quality Transportation's medical delivery solutions, please call (800) 677-2838, or visit www.qualitytca.com. **CLDA**

Key Software Systems Empowers Customers with Branded Smartphone APP hyperSHIP

Wall Township, NJ – Key Software Systems, developers of Xcelerator & MobileTek, provide their customers with hyperSHIP, a real-time smartphone-tablet based app, branded with the carriers logo that enables the shipper to place orders in seconds and track orders down to the captured signature.

“We really wanted to help our customers compete against the new start-up companies like Uber, who are app based. This hyperSHIP app, not only provides the shipper with a sharp, accurate and quick way to place orders with the carrier, but it also gives the carrier valuable information on how their customers are using it. Our customers can see quote conversion rates that will open up visibility to the shipping habits of their customers.” States company President, Charlie Pisciotta. He continues “The best part is we decided to provide hyperSHIP at no additional cost to our customers, it’s included with their subscription to Xcelerator.”

Compatible on Android, iPhone and Windows Phone, makes hyperSHIP available to anyone who’s on the go and needs the agility to place orders into their carriers system. Downloading is easy, shippers would go to the app store or play store for simple installation.

Xcelerator & MobileTek are enterprise-class software solutions designed by Key Software Systems, for today’s courier, messenger, logistics, distribution and warehousing industries. For more information, screen shots and detailed descriptions, visit www.KeySoftwareSystems.com or call 732-409-6068 to speak with a representative. Follow us on Twitter for up to the minute technology information @KeySoftwareSys. **CLDA**

Quick Delivery expands to next day service

Quick Delivery Service is pleased to announce the acquisition of a delivery company that is allowing us to expand into the next day market throughout Chicagoland. The initial concentration will be in the dental market. Owner of Quick, Randy Seiler, was happy to once again grow the company he started over 31 years ago: “We are excited about building on the dental delivery business as well as expanding into other next day opportunities throughout the Chicago region and eventually Rockford” Seiler stopped short of “infinity and beyond.”

Interested in learning more or partnering with Quick? Contact: Sales and Marketing Manager: Dave.Melzer@QuickDelivery.com **CLDA**

Datatrak Continues Launch of IPD Mobile

It’s Friday afternoon, and one of your largest customer calls with a significant number of new jobs that have to be completed that day. Your drivers are scrambling with plenty of work for the day, so how do you take advantage of that opportunity?

In our industry, delivery companies typically have a core group of drivers that work consistently for them and help them succeed. But finding reliable drivers when demand fluctuates can be a challenge and could result in missed revenue and potentially lost opportunities for new customers.

IPD bridges the gap for courier companies to help find qualified drivers when the business requires them.

Over the last few months, Datatrak has developed and offered a new product called IPD Mobile to solve this issue. Designed to connect delivery companies with independent professional drivers, IPD Mobile helps courier companies gain immediate access to an outside pool of qualified independent drivers.

Your business can rapidly expand to meet daily demand and drivers can gain access to additional work opportunities outside of their usual courier client. Delivery companies and drivers avoid the hassle associated with funds transfer, qualification vetting and other accounting requirements through the IPD Mobile settlement process. IPD Mobile drivers are independent contractors.

After a successful beta test at the end of 2014 in Jacksonville FL, IPD’s initial launch took place in Atlanta at the beginning of the year. Datatrak is also working closely with SCI, Subcontracting Concepts, Inc. to help SCI’s drivers join the IPD Mobile team. The next planned launch will be in Houston Texas in May of this year.

Ryan Dixon, Product Manager of IPD Mobile is confident that the product meets the needs of same day delivery companies as well as independent contractor drivers. “IPD bridges the gap for courier companies to help find qualified drivers when the business requires them. It helps drivers accept work from multiple companies, further solidifying their position as independent contractors. We look forward to creating a national network of Independent drivers helping courier companies expand their territories and revenue streams without the expense and risk of maintaining a fleet of employed drivers.”

For more information on IPD Mobile, please visit us at www.ipdmobile.com or booth 101 at the 2015 Annual CLDA meeting in Orlando. **CLDA**

Vesigo Studios Releases New Customer Web Portal Software for Couriers

Medford, OR, March 2, 2015 – Vesigo Studios, provider of OnTime courier software, has released new features and enhancements for the OnTime Customer Web Portal. This update underscores the company’s commitment to providing couriers the tools they need to maximize efficiency while satisfying their customers.

New customization options have been included in the OnTime Customer Web Portal. OnTime users may now choose to make basic or more advanced changes to their Customer Web Portal. Basic customizations include changes to the title, the addition of a tag line, and custom logo or graphic in each page’s header. Advanced customization replaces the need for FTP access to the Web Portal’s Master Page and CSS files by allowing for direct editing of these files.

Another addition allows invoices to now be viewed by customers via the OnTime Customer Web Portal. This feature is optional and can be turned on or off by OnTime administrative users. Invoices may be marked individually as available for customers to see online. The format and appearance of these invoices can be customized by uploading a standard and simplified invoice template to the OnTime Customer Web Portal.

In this update, the OnTime Customer Web Portal has been re-designed to be fully HTML 5 compliant and responsive for superior compatibility and performance on newer computers, tablets, and smartphones.

Additional API methods have been included with the enhancements to the OnTime Customer Web Portal. The OnTime API has been expanded to nearly double its previous size. The API documentation has been updated for reference.

“Simpler methods of customization and the ability to display invoices in the OnTime Customer Web Portal were common customer requests and we are excited to deliver both of these to our customers. I am excited to see opportunities like this where we can add features that enhance the customer service experience transportation companies can offer their clients,” says Jeremiah Tilley, Principal Software Architect at Vesigo Studios.

OnTime recognizes that its customers need to focus on their business without sacrificing the quality, efficiency, or security of their courier software. That’s why OnTime is regularly updated with additional features and enhancements. Find out more about OnTime courier software and the OnTime Customer Web Portal at ontime360.com. **CLDA**

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**Professional Quality Service
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On Time Logistics nearly doubling warehouse capacity, partnering with Banded for fulfillment

SPRINGDALE, Ark. – A Northwest Arkansas-based logistics company announced a major expansion and partnership Monday that will mean enhanced warehousing and fulfillment capabilities for current and potential customers of both companies involved.

On Time Logistics is moving from its approximately 25,000 square foot warehousing space on Emma Avenue to a 48,000 square foot building (40,000 square feet of warehousing and 8,000 of office and administrative space). The new location is at 1710 Powell Street, also in Springdale. OTL will now have nearly double the amount of warehousing space and almost double the amount of docks available. The move should be complete by the end of March.

This added capacity will make it possible for OTL to handle its new partnership with Banded, a hunting and outdoor gear company. OTL will manage all of the warehousing and order fulfillment for Banded included all the inbound and outbound orders for individuals and the brand’s retail providers.

“We see this move as a great opportunity to grow the fulfillment side of our business in Northwest This added capacity will make it possible for OTL to handle its new partnership with Banded, a hunting and outdoor gear company. OTL will manage all of the warehousing and order fulfillment for Banded included all the inbound and outbound orders for individuals and the brand’s retail providers.

Arkansas,” said Steve Jones, owner/founder of On Time Logistics. “Partnering with Banded Brands is a great step towards making this a reality.”

According to the Banded Nation website, Banded Brands, Banded Nation and Maxx Outdoors recently developed agreements with Banded Holdings, Inc. to bring together all entities under one operating company. Banded Holdings is based in Fayetteville, Ark. The company will have an office in the Powell St. location as well.

More about On Time Logistics

On Time Logistics was founded in 2007 by Steve Jones and it offers services including warehousing and fulfillment, courier services, medical courier services, white glove service, last mile courier service, and other on-demand courier and delivery services. OTL is based in Springdale, Ark. and it has offices in Little Rock and Tulsa, Okla. Its primary service areas are Arkansas, Missouri, Oklahoma, and Kansas. OTL has four employees and 14 independent contract couriers.

More about Banded Holdings, Inc.

Banded Holdings is made up of Banded — the distributor of all Banded Brands waterfowl hunting and outdoor gear products, and Banded Nation — the producer of two outdoor hunting television shows, “The Fowl Life with Chad Belding” and “Dead Dog Walkin’.”

The combination of Banded companies under one common ownership and capital structure will provide continuity in the strategic direction of the company, access to capital for growth, and continued development of strategic partnerships.

The new company is managed by a seasoned group of business and waterfowl hunting and outdoor industry veterans: Chuck Browning, Chad Belding, Christian Curtis, Eric Larsgaard, Rick Frisch and Clay Belding. **CLDA**

Excel Courier and Logistics Is NOW Transporting Your Temperature-Sensitive Items

In order to fully support our customers, Excel Courier and Logistics is now utilizing climate controlled vehicles in our daily operations.

Not only can we assure you that your temperature-sensitive items will be handled by fully trained personnel but that it will be available for use 24 hours, seven-days-a-week, including nights, weekends, and holidays.

Some features that are guaranteed:

- Full-range temperature control in exclusive-use vehicles that are matched to the size of your shipment
- Clean and well maintained vehicles
- Capable of a wide range of temperatures - from -20 degrees Celsius to 70 degrees Fahrenheit
- Capable of transporting 2 different temperature ranges
- Temperature data receipts available upon request with temperature data

The top-of-the-line temperature recorders installed in our vehicles is yet another feature that ensures your package will arrive in the same condition that it departed in. This unit will record up to 2 temperatures at once in 2 different compartments, log information at 15 minute intervals, and store a year of data at a minimum. This data can then be conveniently exported to provide you graphic reports of temperature trends.

We are thrilled to offer this new service to our customers and await your calls. Our lines are open 24/7/365 as well, so please call 703-478-0140 with any questions regarding the climate controlled vehicles and their availability. **CLDA**



Relay Delivers for Cyclones

Relay Express has been the Official Courier of the local AHL Hockey Team, the Cincinnati Cyclones, since 2011. The Cyclone's mascot, Twister, "delivers" the game puck each night in a Relay Express Cyclones jersey while a Relay Express commercial plays overhead. Relay Express has enjoyed this sponsorship and exposure since its inception.



This year, Relay Express was instrumental in community awareness and fundraising as a key Sponsor for the Cincinnati Cyclones Frozen 5k, an event which supported the local Pink Ribbon Girls. Pink Ribbon Girls is an organization dedicated to providing support to breast cancer patients and promoting breast cancer awareness. This event was held in 5 degree weather on Saturday, January 31, 2015 in downtown Cincinnati. Relay Express is like many when it comes to breast cancer. Breast cancer has directly affected employees, as well as spouses and siblings of our current staff. Everyone saw this as an opportunity to join in and support a good cause.

Relay Express used its Youth Sports Hospitality Zone to serve hot chocolate and water to the 5k participants as they finished the race. Relay Express had 24 employees volunteer for the race.

Relay Express was also asked to provide support to a special needs runner. Jim Bernecker, Chief Operating Officer, completed the course as a chaperone to Richard Gabbour, a 48-year-old man who was struck by a car in 1976. Richard began competing in races in 1991, determined not to let his physical challenges stand in his way. His goal is to participate in a race every weekend of the year. Richard and Jim



finished the 5k in an official time of 1:04:14.5. Richard had one consistent comment on how things were going that day: "DYNAMITE!"

Relay Express awarded the staff that volunteered by hosting a private Box at the Cincinnati Cyclones/Pink Ribbon Girls game held later that night for employees and families. It was a great day and night that taught us all a little about how easy it is to make a difference in someone's life. We cannot wait to make next year's event bigger and better. Jim Bernecker and Richard also have a goal to finish next year's event in under an hour! **CLDA**

Global Messenger Corporation has changed its name to GLOBAL MESSENGER & LOGISTICS.

We've expanded our services and now offer warehousing and trucking services to go along with our fleet of cars and vans.

Global Messenger and Logistics can deliver: envelopes, boxes, inter office mail, gift baskets, food, medical specimens, legal documents, machine parts and equipment, as well as palletized freight.

Our professionally dressed drivers, fleet of cars, vans, straight trucks with lift gates can handle anything from an envelope to 12,000 pounds.

Our equipment ranges from temperature controlled coolers to convertible hand carts, pallet jacks, furniture dollies, refrigerator handcarts, blankets, straps and load bars. Global has been servicing the Baltimore/Washington Metropolitan area, including Northern VA, DE and parts of PA since 1990. **CLDA**

Zeschke Delivery & Warehousing Announces Company Name Change to WayPoint Logistics

Local business unveils new company name and renewed vision

April 7, 2015 – BLOOMINGTON, IL – Zeschke Delivery & Warehousing, a regional provider of delivery, distribution and warehousing solutions, today revealed an exciting rebranding of the company to better align with its core values and mission.

The new name, WayPoint Logistics, reaffirms the company's commitment to innovative solutions and unparalleled service. It is complemented with a new logo, as well.

“Our new branding speaks to our company's mission and our willingness to adapt to our customer's needs,” said Owner Rick Zeschke name. “WayPoint, comes from the idea that we are here to help navigate your products' journey from dock to stock to delivery,” said Owner Rick Zeschke. “That mission is reinforced in the new tagline – Dock, Stock, Deliver: Solutions That Drive Your Business. Our ultimate goal is to provide that synergy to our customers' supply chain.”

Strategically located in the heart of the Midwest, the business has served the area for well over a decade and has established itself as one of the region's most trusted delivery, courier and warehousing companies. The new name and logo follow a period of expansion for the business, as well as a broader focus on top-notch service and reliability.

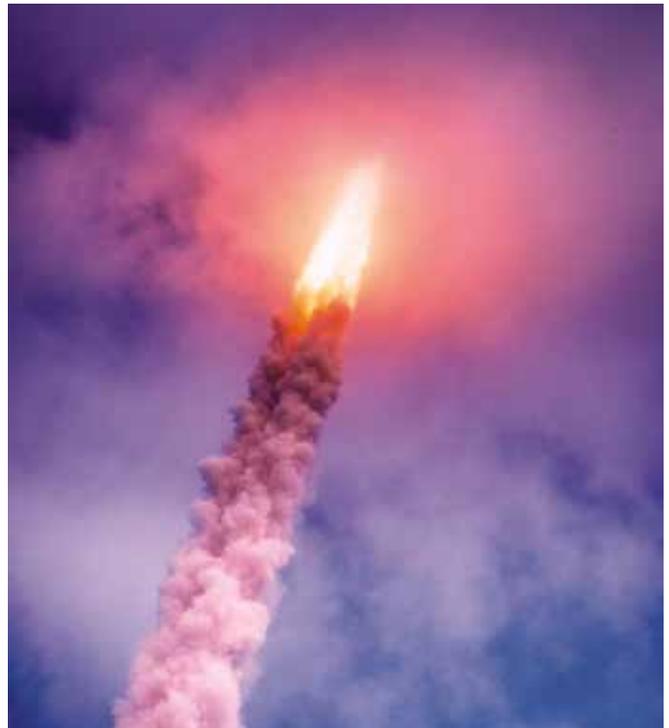
Though the business has a new name and logo, WayPoint Logistics will continue to serve clients with the same devoted team as it expands its services and operations.

Look for the new WayPoint Logistics brand online at WayPointLogistics.com, and on the company's ever-expanding fleet of service vehicles on highways near you.

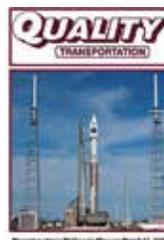
About WayPoint Logistics

WayPoint Logistics, located in the heart of the Midwest based in Bloomington, Illinois, has been providing seamless delivery, distribution and warehousing solutions for over 12 years. With a strong commitment to customer service and performance, WayPoint Logistics team members are dedicated to providing courteous, professional and on target service to its customers. **CLDA**

That mission is reinforced in the new tagline – Dock, Stock, Deliver: Solutions That Drive Your Business.



Quality Transportation plays critical role in delivering vital part for successful NASA space mission launch



Quality Transportation, a leader in same day logistics and outsourced transportation services, based in Long Island City, NY was selected by a national logistics company to deliver a same day time-critical part for a NASA Launch.

Quality Transportation's Deerfield Beach office, with expertise in time-critical delivery, picked up the secured item the morning of the launch at Miami Airport for the Magnetospheric Multiscale Mission (MMS). The pick up was made by a 2 man team and escorted by a 2nd vehicle. They arrived at Cape Canaveral in time for a successful blast-off at the scheduled time. NASA's MMS is to study the Earth's magnetosphere, using four identical spacecraft flying in a tetrahedral formation.

Julius DeVito, CEO and President of Quality Transportation said, “We are thrilled that Quality Transportation was chosen as the logistics partner for this important mission.”

If your deliveries require “QUALITY” handling, choose Quality Transportation. To learn more about Quality Transportation's logistics solutions, please call (800) 677-2838, or visit www.qualitytca.com. **CLDA**

Cheetah Software Systems Appoints New President and COO, Expects Rapid Growth

Former Director of Worldwide Transportation at Amazon Manish Kapoor joins Cheetah Software Systems as President and COO.

Cheetah Software Systems has named Manish Kapoor as President and Chief Operating Officer. Manish is one of the leading industry experts in Logistics, especially Last Mile and Omni-Channel with a relentless passion for the customer experience and operational efficiency using disruptive technologies. He has run national operations and led technology groups, and above all, he is a well-respected leader in multiple industries.

Prior to joining Cheetah, Manish was the Director of Worldwide Transportation at Amazon where he led initiatives in Asia, Europe and the US, including Amazon Fresh and Sunday delivery with USPS. Prior to joining Amazon, Manish served at FedEx for over 5 years as VP and Managing Director of Network Operations. There he led the transformation of the FedEx Office operations network, synchronizing the retail stores with centralized production facilities, and transportation with Omni-Channel, supported by some of the world's leading logistics solutions from Cheetah. He set up the first in the world centralized and automated "command center" for managing distributed print and local delivery across the entire nation. In addition, he led the effort across operating companies at FedEx to design and launch FedEx SameDay City, a local 2-hour courier service now live in over 25 cities.

Manish was also at Deluxe for 10 years where he led the transformation of the check printing industry from conventional offset to digital printing technology. Prior to that, he helped establish India's first hi-tech pre-press facility for Thomson Press/Living Media, the country's premier printing and publishing group.

Manish is on the advisory board for the Center for Intelligent Supply Chain Networks at University of Texas in Dallas since 2007 and teaches advanced Logistics as guest faculty for the Executive MBA program. He has a Bachelor of Engineering from University of Pune in India, Master of Science from Rochester Institute of Technology, NY and MBA from Babson, MA

"It's a privilege for Cheetah to have Manish on board. He is an accomplished and trusted leader who has a consistent track

record of innovation, change-leadership and delivering business results. He is a visionary and uniquely experienced to drive operational innovation using disruptive technologies. Manish has deep understanding of the rapid evolution of the marketplace and the challenges our clients face. Having him at Cheetah is already helping ensure that we are positioned for rapid growth as we enable our clients to streamline their operations and gain market share. I have full confidence in Manish's ability to drive the next-generation of Cheetah's leadership in logistics," said Bobby Darroll, Chairman and CEO of Cheetah.

Manish Kapoor has assumed responsibility for daily operations, ensuring operational excellence and alignment of company goals and priorities to the needs of its clients. In

He set up the first in the world centralized and automated "command center" for managing distributed print and local delivery across the entire nation.

Manish's words, "I am thrilled to join Cheetah because I know Cheetah has the world's most advanced optimization platform for logistics and an innovative logistics team of industry experts with hands-on experience – just the combination we need to disrupt the logistics space on behalf of our clients. Bobby has long been an inspiration to me

and Cheetah has a track record of innovation and being first-to-market with unique logistics solutions. My goal is continue driving that, while expanding our services to new markets and industries. We have launched plans for global expansion and now provide supply chain consulting services to help our clients with synchronized advancement in both technology and business processes. Our recent engagements are already helping companies significantly improve market share and operating costs. Stay tuned as you will see growth for both our clients and Cheetah."

About Cheetah Software Systems, Inc.: Cheetah is the world's most advanced

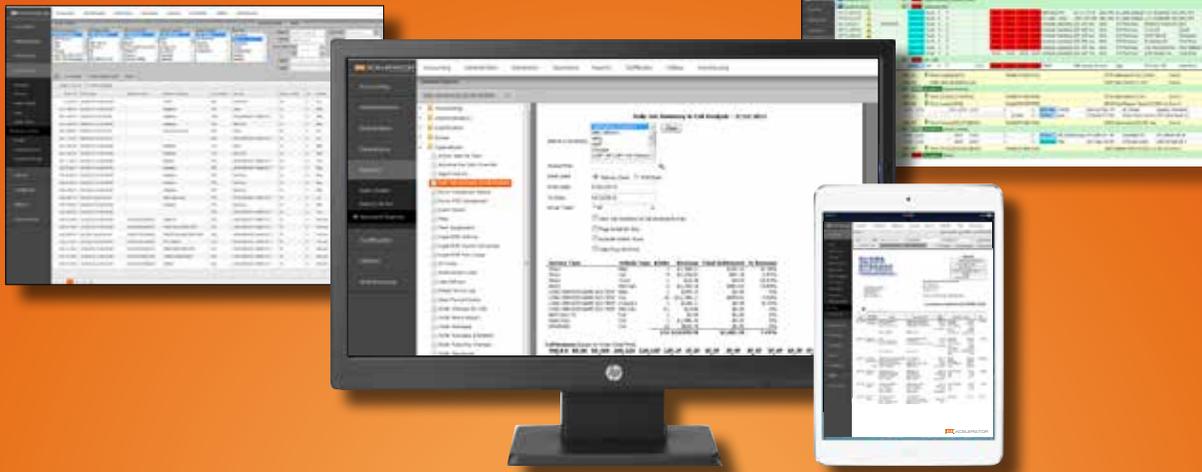
SAAS Cloud based platform for dynamic, live optimization of logistics networks. Cheetah's customers have successfully optimized and delivered over 2 billion live time based consumer pickup and deliveries on time. Cheetah transforms traditional transportation operations into live and fully automated source-to-destination logistics networks, optimizing in real-time for the lowest operating time and cost as demand, supply, customer requirements and operating environments change. Cheetah Services include Customer Experience Re-engineering, Operational Optimization, Prescriptive Analytics and Consulting, Optimized Network Sourcing, and Automated Drone Services. **CLDA**

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Priority Express Partners with CXT Software

Priority Express positioned for the present and the future with CXT Software solutions

Phoenix, AZ, CXT Software, a leading provider of software products that empower delivery and logistics operations, announced today that Priority Express has implemented CXT Software's X Dispatch product suite to manage its same-day delivery operations.

Priority Express is a large regional carrier providing a range of delivery services in their markets. In 2014, they began the process of exploring an upgrade to their software and technology platform. After much research, their conclusion was CXT Software was best positioned to be a valued technology and software partner.

"The CXT Software team is very focused on delivering a quality product in a timely manner," explains Tim Keane, CFO at Priority Express, who has been intimately involved in the roll out of the CXT Software solution. "They really want to understand our needs and ultimately want us to be successful--we view CXT as a true business partner. As with any implementation there were challenges, but CXT stepped up to the challenge at every stage."

Priority Express is already seeing the benefits of the software by going after new business that was previously difficult to win without the capabilities of CXT Software's products. Also, they are very excited about the future developments underway at CXT. "I am very impressed that CXT invited Priority Express into their development discussions related to their next generation product suite, Nextstop," Keane adds. "We are excited about the efficiencies planned in this new platform."

"We are thrilled to have Priority Express as one of our newest customers," according to Tim Cocchia, VP of Sales and Marketing at CXT Software. "There is a synergy to our partnership--each company makes the other better as we pursue our mutual goals."

About Priority Express:

Priority Express is a leading provider of same-day delivery for a wide array of businesses throughout Philadelphia, New Jersey, New York, the Delaware Valley and beyond. We customize "Complete Expedited Delivery Solutions" to meet the unique challenges of your business and back them up with a level of personal service, professionalism and reliability unsurpassed in the industry.

Whether you need us for a two-hour rush shipment or daily scheduled delivery, Priority Express is committed to delivering on your business' success. For more information on Priority Express, visit www.priorityexpress.com. **CLDA**

CXT Software Announces 2016 User Conference

CXT Software schedules 2016 User Conference for January 15-16, 2016, in Scottsdale, AZ.

Phoenix, AZ, CXT Software, a leading provider of software products that empower delivery and logistics operations, announced today that its 2016 CXT Software User Conference has been scheduled for January 15-16, 2016, at the Scottsdale Plaza Resort, Scottsdale, Arizona.

"We saw record attendance at last year's event, and we expect to continue that trend in 2016. Last year, we added Live Support and X Dispatch Boot Camp to our User Conference and our customers proclaimed them an instant success," according to Tim Cocchia, CXT Software's Vice

President, Sales and Marketing. "Our goal every year is to continue to educate our customers so that everyone is aware of the tools that we provide to help them increase productivity and efficiency in their business."

As a long time CXT Software User and regular attendee at their User Conference, I signed up for Boot Camp to continue to develop my expertise in the software, and I was very impressed with the information presented

presented," adds Melissa Henry, who is responsible for operations and strategic planning at Lab Logistics.. "I have been using X Dispatch for 8 years and it always amazes me how many new features get added to the software each year."

"We were excited as a first time sponsor at the CXT Software User Conference in 2015," said Chip Emery, CEO, Supply Chain Services, Oakdale, Minnesota, "Our experience working with CXT Software and its customers has been exceptional and we look forward to continuing to provide our mobile computing expertise to the delivery and logistics industry."

The CXT Software User Conference is an educational and networking event that allows users to gain insight into the company's product direction and to learn more about how to leverage the X Dispatch product suite and newly-released Nextstop Mobile app to maximize operational efficiency.

CLDA

CLDA **LOBBY DAY**



WASHINGTON DC

Wednesday, June 10th, 2015

Afternoon Meetings

7:00 - 9:00pm

Reception at The Washington Court Hotel
Washington, D.C.

Thursday, June 11th, 2015

7:30am - 4:00pm

Breakfast at The Washington Court Hotel
Educational Sessions
Meetings on Capitol Hill

We have secured a room rate of \$299/night at The Washington Court Hotel in Washington, DC. To reserve your room today, please call (800) 321-3010 and reference CLDA.

The hotel is located at 525 New Jersey Avenue NW, in Washington, DC. Reservations must be made by Monday, May 18th, 2015 to guarantee rates and availability.

Your participation in the upcoming CLDA Government Affairs Lobby Day is absolutely critical!

Whether you have attended every prior event or never have been to Washington before, there is no better time to help your industry than on June 10th and 11th, 2015! This gives you the opportunity to educate your elected officials on the concerns of the industry and to explain how your business is critical to the regional economies in the US. In addition to building relationships with your Representative and Senators, this event allows elected officials to understand our industry and our association.

Without you, CLDA will not be able to continue to educate officials in Washington on the critical role of your business in the national economy! Register now at theclda.com



Florida Messenger Association Completes its Most Successful Government Affairs Day Yet



Members of the Florida Messenger Association (FMA) recently returned from Tallahassee after the most successful Government Affairs Day

since the group started this several years ago.

During the visit, members of FMA conducted 27 meetings with legislators and members and their staff, including 17 State Representatives, nine Senators and Chief Financial Officer Jeff Atwater.

“There are two statutes in place which provide a definition for independent contractors as it relates to workers’ compensation and unemployment, having an opportunity to meet with members and staff of the legislature to discuss how these laws positively impact our industry was invaluable,” said Harold Boyett, FMA Government Affairs Committee Chairman.

In addition to Boyett, other attendees from the FMA included Barrett Cook and Christie Morgan, of Blue Streak Couriers of Jacksonville; Tim Petty, Megan Carney and Silvia Mencner of PettyCo Express in Jacksonville; Dan Schutt, of Double Time Transit of Ocala; Gary Gilbertson, of Alpha

Logistics in Orlando; Larry Schwartz, of Baron On-demand Delivery in Miami and Rebecca Knight, of Bayside Courier in St. Petersburg.

“With the existing legislation in place, I firmly believe our state is committed to properly identifying and classifying independent contractors. This not only benefits small businesses, but has a positive impact on both the state and national economies,” added Boyett.

We find that our Legislators truly want to know more about our businesses. They seem to be intrigued when they hear some of the details regarding the industries we serve,” said Tim Petty of Pettyco Express. The highlight of the day was a meeting with the Chief Financial Officer for the State of Florida, Jeff Atwater. CFO Atwater truly wanted to hear about our businesses and the unique market niches each of our companies serve.

The mission of the FMA is to improve and advance the common business interests of couriers, messengers and transportation providers throughout the State of Florida for the benefit of the public need for such services. For more information, please visit our website: <http://www.floridamessenger.org/>

For more information, please contact:

Barrett Cook
Blue Streak – Jacksonville, FL
bcook@bluestreakcouriers.com
866-258-7875 **CLDA**

News from the CDA!

Hello to our CLDA industry associates. It has been a very busy year already for the CDA, please see the following.

Legislative

In California the new legislative session has begun and bills are being entered daily. The CDA has put some important ones on our website (www.cadelivery.org) for anyone to be able to review and get more information by clicking on the bill number. This is a real unique feature to our site, and bill information updates daily. If you click on the bill's sponsor you will usually end up on that legislators home page.

Check out AB24, it speaks to Transportation Network Companies the new P.U.C. designation for the Uber, Lyft, etc types transporting people. The CHP via the DMV regulates parcel delivery here and we know there is plenty of activity coming from the same companies mentioned previously.

SB23 seeks more minimum wage increases, and SB8 wants to start taxing some service businesses. Again by the time you are reading this we'll have many more on the site that will affect you or your businesses. The end of February is the last day to introduce new bills, and by that time we will have sifted through way more than 2,500 bills looking for those most important to this industry.

The CDA continues to make progress with our legislative and regulatory efforts and it is gratifying to know that the time and hard work being expended is being noticed. It is a very long process over time, involving small steps and turns with continued follow up leading to more and more connections and finally the ears of someone in the know, or whom is otherwise concerned. Let the march continue.

Marina Del Rey Meeting

We had a very good group at this January meeting that was partly sponsored by ICNJOBS.com. After their brief presentation we moved into some CDA updates and then Beth Schroeder (Lathrop & Gage) presented information on some of the news laws for 2015.

Most of these new laws do little but get in the way of doing business in California so it was a lively discussion with plenty of questions, answers, and groans! Beth and the firm have the 2015 Employee/Employer Handbook ready for exclusive use by CDA members. Just one of the benefits that we can offer here in California. Maybe some of the other State associations could consider something similar in their locales.

San Francisco Annual Meeting & Convention

After a super March meeting and convention in San Francisco it is great to be back home. I'm somewhat caught up from that event, but now will have rotator cuff surgery and rehab by the time you are reading this. Such is life in the fast lane...and keep on truckin'!

At this meeting we had our Board elections - Rick Pople (Dynamex) CDA's newest President was re-elected and will be joined by the following new Board members : Nkosi Khumalo (Central Courier), Mo Aabas (Modern Express Courier), JC Burnett (Courier-Messenger Inc) and David Finney (1-800 Courier). Rounding out the current Board team are Bryan Scott (Rapid Express Courier Systems), Andrew Brady (King Courier), Ian Finn (One Hour Delivery Service), Jessica Foyer (Triton Logistics), and John Neiman (Southern California Messenger).

JR Dicker with Gold Rush Express Delivery is now our immediate Past President and much thanks goes to him for his leadership of the CDA over the last years.



I have added a picture from the convention that we might call "Hugs & Hawaii." Ernie Holbrook and Rick Chase were recipients of this year's CDA Honor Awards. Andrew Brady presented Ernie's, and Donna Springer presented Ricks. The "Heffernan Hawaiian" vacation was the last drawing of the convention, and Board member Jessica Foyer was the very happy winner. There will be much more information and pictures in our next Dispatch News. And to all our members, exhibitors, sponsors, speakers, vendors, and others who attended THANK YOU for coming!

The CDA expects that you all will have a great experience at your Orlando event.

Dan Bender, CDA Executive Director. **CLDA**



News from the NYSMCA!



On April 8th, 2015, the New York State Messenger & Courier Association hosted its first business meeting and seminar of the year entitled,

“Affordable Care Act: The Impact, How We Manage Compliance and What to Expect Next.” The seminar addressed the Affordable Care Act’s regulations and compliance, containing costs and tax credits, consequences of non-compliance and preparation for possible future issues. Our guest speaker was attorney Rania V. Sedhom, Esq., of Sedhom & Mayhew. She gave an informative presentation on the Affordable Care Act, answered questions regarding the law and addressed the concerns that many of our members had.

On April 28th, 2015, members of the NYSMCA’s Government Affairs Committee, along with participants from the general membership, traveled to Albany to meet with members of the New York State Senate and New York State Assembly for Lobby Day.

The New York State Messenger & Courier Association will hold its next business meeting and seminar starting at 3:00 p.m. on Wednesday, June 10th, 2015, at Arno’s Restaurant, located at 141 West 38th Street, NYC. **CLDA**

State Report for Connecticut Messenger Courier Association

Prepared by Kevin Maloney

The CMCA continues its effort to pass legislation which will allow independent contractors to work for a single courier company in Connecticut without that company violating the ABC test used to determine independent status.

A bill was drafted and presented to the Labor and Public Employee Committee in January and a public hearing was conducted on the bill in Middletown, CT this past February. The Association will be working to bring the bill out of Committee for a floor vote. **CLDA**

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TCLA Members brave the cold to have a great conference in Austin



Record low temperatures in the Lonestar State didn’t keep away the members and vendors from a great weekend at the Austin Sheraton Hotel for this year’s TCLA Conference, 27 February to 1 March. Once again TCLA Conference Committee Chairman Rod

Steinbrook put together a fabulous show with lots of participation.

Friday night was a tough drive in for many into the Austin area. Roads were frozen over and there were a lot of road closures and delays- but over 60 members and a dozen vendors made it to the hotel, where they all had round of drinks and comradery celebrating our annual trek.

The learning, food and fun were fabulous! Speakers for the event included Todd Wiebe with CXT, Paul Gapp the IC Guru, Peter Schlactus with Brightstone Insurance and Transportation Attorneys John Green and John Dimitry from the Scopelitis et al law firm, who covered information on all their respective supporting industries, changes and innovations, as well as things to look out for when doing business.

Vendor round robins were done throughout the Saturday, and all participants were treated to a great spread by the Sheratons culinary staff.

For the previous 2 months, the TCLA conducted a raffle to help raise money for the legislative fund. The grand prize, an AR15 rifle made by Battle Rifle Company of Houston Texas was donated for the event. The rifle along with an autographed cowboy hat from singer Dwight Yoakam generated over \$3800 for the legislative fund and was a great success. Paul Gapp was the big winner of the rifle.

The TCLA elected a new board and officers for 2015. The new President is Chris Kurzadkowski of Lonestar Delivery and Process, the new Vice President is Erin Patriquin of Lively Delivery, the new Treasurer is Scott Cass from Principle Distribution and Mark Courson of Metro 1 Delivery retained the Secretary position. Rounding out the board are members Don Cooper, Eric Donaldson, James Roberds. Our Past President is Jeff Havens, and we thank him for his service.

The traditional Texas Hold'em Tournament rounded out the Saturday night activities. Chris Kurzadkowski won the big game- and a 50 inch color TV! 2nd Place went to Garth Wilkins and 3rd Place went to Vic Picone. What a great time and successful event for all! Looking forward to our next year's meeting! **CLDA**

News from Massachusetts!



The Massachusetts Delivery Association (MDA) appeared before a federal judge on March 4 to argue that the Massachusetts independent contractor law – which essentially bans the use of independent contractor couriers in Massachusetts – is preempted by federal law, because it adversely affects the prices, routes and services that delivery companies can offer to customers. The judge was very receptive to the arguments.

While the MDA is waiting for a decision in its case, its hard work and commitment have already yielded benefits for motor carriers in Massachusetts. Another federal judge recently dismissed two independent contractor misclassification lawsuits, relying extensively on arguments that the MDA has made. Given this, the MDA is very optimistic about its chances.

If you would like to learn more about the MDA's lawsuit, or for information about how you can help with your critical contribution for this important matter, you can contact MDA President Aaron Driben at aaron@cityexp.com. **CLDA**



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ad index

Key Software Systems	ii
Brightstone.....	iii
Datatrac.....	iv
Key Software Systems	4
Southwest Cargo.....	9
CXT Software.....	17
SCI	23
SCI	26
Key Software Systems	31
Priority Express Courier	34
Key Software Systems	39
LaserShip.....	45
Complete Innovations.....	47
CMS	Back Cover

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CLDA is a non-profit industry association of, by, and for the customized logistics industry. Our mission is to promote and advance the common interests of those engaged in the industry throughout the United States and abroad. Through industry meetings and educational seminars CLDA provides an excellent opportunity to network with others in the business and stay on top of industry trends.

*Good for the calendar year of 2015. Regular dues schedule applies thereafter.

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