

# Customized Logistics & Delivery MAGAZINE

A large graphic of white puzzle pieces arranged to form a red arrow pointing upwards and to the right. The arrow is composed of several puzzle pieces, with the red color filling the shape. The puzzle pieces are set against a background of a city skyline with tall buildings under a blue sky.

From  
Start-Up to  
Success



How New Logistics  
Providers Are  
Making It Work



# Send your brain to the sun and your bottom line to the moon this February at the **CLDA Final Mile Forum & Expo**

The **CLDA Final Mile Forum** will bring together thought-leaders, shippers, final-mile carriers and industry innovators.

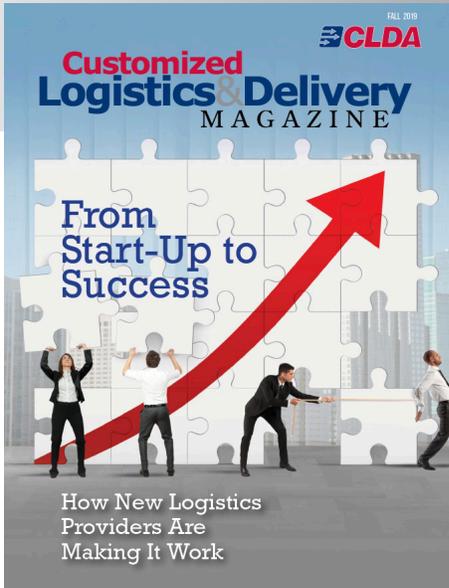
It will be three days of new ideas; business opportunities and face-to-face meetings with shippers looking for carriers.

**Want to grow your business**, see what's down the road and share ideas with industry veterans? Then save the dates – **February 19-21, 2020** - for this transformation meeting now. Registration opens soon. For more information visit the **Events** page of [clda.org](http://clda.org) or contact **CLDA Staff** at [info@clda.org](mailto:info@clda.org)



**Final Mile Forum & Expo • February 19-21, 2020**  
**Hyatt Regency Miami, Miami, FL**





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# President's **Message**

*need message*



# Government Affairs

Government affairs issues are heating up across the country! Everything ranging from impacts from AB5 in California to members in Washington, DC is keeping the team going at a fast pace. Be sure to stay up to date on all advocacy activities by making sure you are on the e-mail list of the CLDA Express.

## States Considering and Moving on their AB5 Versions

In two different initiatives in the northeast, both New York and New Jersey are considering their own versions of the ABC test that came out of the AB5 effort in California. While the New York Messenger and Courier Association (NYSMCA) has already been conducting several meetings in Albany with the legislators and the Department of Labor, there is no state association in New Jersey to spearhead the effort.

With that, CLDA is organizing the members that do business in New Jersey once again to help protect their business models! Assembly bill, A5936, has been amended to reinstate the B portion of the ABC test that Senator Sweeney's bill removed, while changes were made to the C prong. Presently the word has been passed down that it is anticipated that the Assembly bill will be the 'final' version.

Unlike the fight in California, there are not many carve-outs being agreed to but the potential is still there; only two have been agreed to so far. CLDA will continue to fight for the preservation of Independent Contractors and we will share more information as it comes out of Trenton! Look for continuous updates on A5936 and S4204, coalition efforts with other organizations and petitioning your elected officials!



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Affairs Newsletters!**

**Be sure to look for continuing  
Government Affairs updates  
via the CLDA Twitter account  
(@theCLDA) 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 Evan  
Collier at [ecollier@clda.org](mailto:ecollier@clda.org).**

## CLDA Members Visit Federal Agencies

While the sun shined and snow stayed away, some of the CLDA Government Affairs Committee members took time away from their businesses to visit federal agencies in DC! Over the day and half, members discussed:

- security and systems management with the TSA
- upcoming rules, association health plans and guidance at the Department of Labor, and
- safety programs and hours of service rule making with the Federal Motor Carrier Safety Administration.

These discussions are critical to show the voice and strength in numbers of the association on behalf of the members in the Final Mile and logistics space.

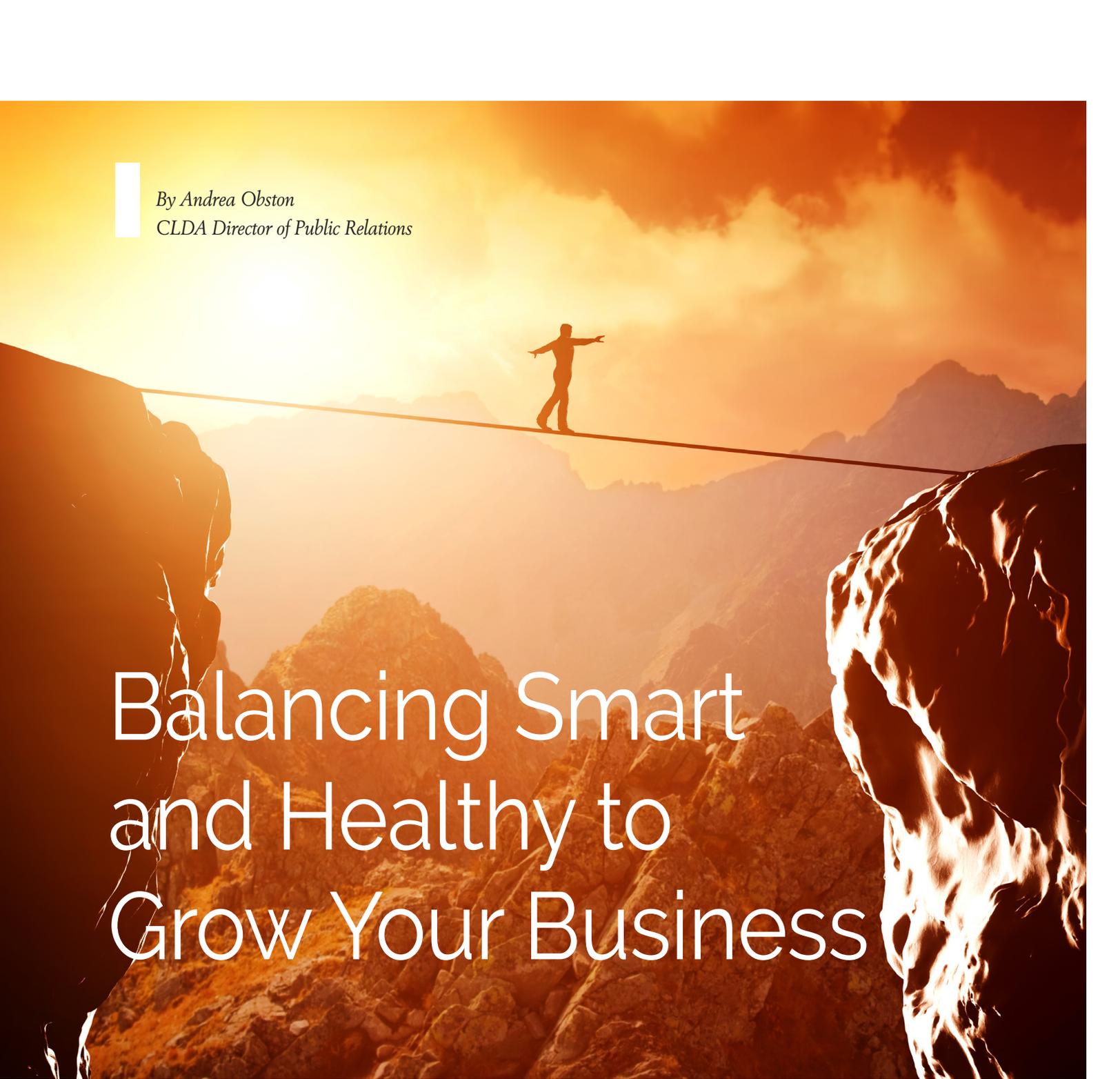
## Educational Sessions at the FMF 2020 in Miami!

While you are enjoying the sun and networking at the Final Mile Forum & Expo in Miami this February, be sure to join two of the critical education sessions in the agenda. Greg Feary of Scopelitis will be discussing and leading: “Broker/3PL/Carrier Agreements – Beware of what you sign!”

During the special luncheon for Advocacy Donors, we are looking forward to hearing from a special guest at the Transportation Securities Administration (TSA)! Be sure that your company is an Advocacy Fund contributor in order to join this event at the FMF.



Look for more updates on all of the activities of CLDA advocacy and government affairs efforts through the weekly CLDA Express and via communications from CLDA Government Affairs Director Heath Weems at [hweems@clda.org](mailto:hweems@clda.org)!



By Andrea Obston  
CLDA Director of Public Relations

# Balancing Smart and Healthy to Grow Your Business



Want to grow your company?

They key is creating an organization that is both smart and healthy. This was the key concept that kicked off the first session of the 2019 Executive Leadership Summit in Atlanta.

Seventy-five leaders and up-and-coming leaders participated in workshops to help them kick-start growth in their companies. Participants were a mix of those relatively new to the industry (in business less than five years); those that had been in business under ten years and industry veterans.

Management trainer, consultant and author Ed Eppley Trainer led the group through a two-day bootcamp on growth. He started the intensive workshop by focusing on the key concept of developing organizations that were both smart and healthy. “There is an optimal balance for every company,” he said. “You want to strike the right balance between a highly efficient, results-driven organization and one that attracts above-average talent. The goal here is to build highly cohesive, aligned, high performing teams. And when you find that balance and multiply smart times healthy, you get the best for your company.”

Every company that wants to grow in our industry is up against several face-paced changes that Eppley pinpointed.

These include:

- Maintaining a technology edge
- Building a labor force in competition from gig economy companies like Uber and Lyft
- Responding to a changing work ethic and changes in labor pool
- Coping with rising expenses
- Facing increasingly demanding customers
- Dealing with transportation experts within client companies
- Balancing the IC and employee driver models.

“Most of these changes are NOT over,” Eppley cautioned. “Every industry has its challenges and your issues aren’t much greater than other industries. What we’re going to share over the next two day are ways to keep up with change and get in front of it.”

Eppley outlined three questions for bootcamp participants to ponder during the two-day summit:

- How are you going to change your business to deal with what’s going on outside of you?
- How are you going to respond to the changing ways that customers want to do business with you?
- How are you going to grow your business to get beyond having to jump from issue to problem?”

## Smart Companies and Strategy

Smart companies, he said, have the right technology in place; are well-financed and have well-thought out strategies. “If you have a strategy you’ve made choices,” said Eppley. “Most of us have become successful by saying yes to what we didn’t think we could do. When you have a strategy, you are strong enough to say no to a lot of things. We aren’t very good at saying no when we are entrepreneurs. The bigger you are the more you have to focus. Strategy is what you want to focus on and what you will not do. Just because we *can* do things doesn’t mean we *should*. Management consultant Peter Drucker told us that business owners are no good at abandoning the things that have gotten them where they are. Strategy helps you make those decisions, and, in many cases, it helps you decide to abandon something.”

He also pointed out the difference between an annual business plan and a strategy: “Business plans are all about intensions and budgets, but they don’t usually reflect that you have consciously chosen to do some things ahead of others. That’s a strategy.”

## Healthy Companies and Clarity

Healthy companies have high morale; high productivity and low voluntary turnover. “I’m specifically talking about turnover among the people who leave who you wish had stayed,” said Eppley. “If that number is

above average for your business or industry you're not as successful as you could be. You want to create an environment that has the right values and work ethic, so those people stay with you."

Healthy companies are built around clarity. Because they are clear about who they are and how things will be done, and where there is minimal politics goes on. "There's a lack of in-fighting going on in these companies," he pointed out. "There's not of a lot of jockeying for position. You don't have the 'meetings after the meetings.' Meetings after meetings happen after sessions in which there is artificial harmony. There appears to be agreement at those sessions, but it's not real. In healthy companies there is productive conflict. People around the table say what they are thinking. It may not be pretty, but it produces quicker and better decisions and results."

In a healthy company there is minimal confusion. There's great clarity about what everyone is going to work on and why. "In these companies, there is an understanding at all levels of the organization of what each employee will focus on," said Eppley. He pointed out that one sure sign of a healthy company is that everyone in the organization, no matter what their level, can answer the question "What is the most important thing we are working for?" If people in the organization can't answer that there is no real clarity in the business. Without clarity, employees hesitate when making decisions. "In this kind of an organization, when employees get to a decision they stop. By not creating clarity, it slows down the business while they struggle with decisions. We do not want anything to slow down the business," he said.

What's the impact on the business if you are not healthy enough? "If you're not healthy you don't have the people to run your processes and systems," said Eppley. "If you don't have a healthy infrastructure, all that fancy technology you spent money on won't help, because there is nobody to carry on out what you want to do."

On the other hand, companies that are more healthy than smart also have issues. "In this scenario, these are companies without direction. They aren't getting the most out of their people and their internal structure. These companies are in sync but going in the wrong direction. They aren't maximizing their growth potential and their ROI. It's like having a football team with the right players, but they have no place to go."

Eppley concluded the first session of the Executive Leadership Summit by outlining what he called the "Four Disciplines of a Healthy Organization":

1. Build a Cohesive Leadership Team
2. Create Clarity
3. Over-Communicate Clarity
4. Reinforce Clarity.

## Building a Healthy Organization

**Building a cohesive leadership team** means making sure that everyone on the executive leadership team has the same goals and is aligned around the priorities to reach those goals. "Decisions get made with a different set of priorities at different levels if you don't have this," he pointed out.

Cohesive teams build trust, eliminate politics, and increase efficiency by...

- Being open and building trust
- Engaging in constructive ideological conflict
- Committing to clear decisions
- Holding one another accountable for behaviors
- Focusing on collective results

A cohesive leadership team needs to agree on purpose. Their members can articulate the answers to two questions, he said: "Why does the business exist beyond making money?" and "What reasons am I giving our

people to come to work every day?” He also pointed out that the need to have and articulate your business’ purpose takes on different importance for individual employees. People under 40 *want* purpose; people under 30 *need* purpose.

**Creating clarity** for those in the organization is all about communicating that purpose. “People in the organization need to understand its purpose and be willing to sacrifice to achieve it,” he said. “Purpose dictates how those in the organization behave and who they hire. We want to have people in the organization who behave consistently with our vision. There can be real damage to the brand by allowing people to behave unlike the ways we want them to. When you create clarity, you make it clear to employees what you need from them.”

Healthy organizations minimize the potential for confusion by clarifying the answer to these questions:

- Why do we exist?
- How do we behave?
- What do we do?
- How will we succeed?
- What is most important, right now?

**Over-communicating clarity** is about aligning employees around key messages around purpose and goals.

Healthy organizations align their employees around organizational clarity by communicating key messages through:

- Repetition
- Simplicity
- Multiple Mediums
- Cascading messages

For most managers, this can be the hardest part of their job. They don’t like to repeat decisions made three, six and even 12 months ago multiple times.

**Reinforcing clarity** means developing business systems and processes that govern:

- Hiring
- Performance
- Rewards and recognition
- Employee dismissal.

This is where you adjust all the systems and process touching your people to be consistent with your purpose, mission, vision and key strategies for success.

### Finding the Right Balance?

“There is a right balance for every company,” Eppley concluded. “And when you achieve that you make money and create a business that’s sustainable. Each business owner needs to develop a strategy to decide how they will adjust the two factors. In the end though, the formula looks like this: Smart X Healthy = Success.” **CLDA**





By Andrea Obston  
CLDA Director of Public Relations

**Every manager's  
job is producing  
results and  
growing people.**

# You Can't Be a Good Leader Until You're a Great Manager

If the Executive Leadership Summit had a mantra, this would be it. It was the concept that summarized the second session of the bootcamp and one that Summit leader Ed Eppley drilled into participants over and over throughout the bootcamp.

Great managers, Eppley said, have the right balance of three characteristics - they are smart; hungry and humble. "But most of us only bring two of these to the table and good managers recognize this," he said. "To become a great leader, you need to be aware of and dedicated to doing something about your deficiencies; to grow the areas where you are weak."

He outlined the six disciplines that good managers must master to produce results and grow their people:

- LEADERSHIP
- STRATEGY
- PEOPLE DEVELOPMENT
- PERFORMANCE
- STRUCTURE
- CULTURE

## Setting Direction Through Leadership and Strategy

Leadership starts with a manager becoming self-aware. “If you know yourself, you’ll be a better boss,” Eppley asserted. “You need to know your strengths and weakness and how to use those strengths to compensate in areas where you aren’t strong. Most departments take on the personality of the person in charge. If you aren’t self-aware you won’t know what you are doing that make things difficult for your team. You likely won’t understand what you do that helps and hurts performance for you and your team.”

On the other hand, Eppley cautioned against trying to be someone you’re not. “People want authenticity in a manager,” he said. “Your people don’t want you to be a clone of someone else. They want you to be the best version of yourself.”

The other component of leadership Eppley emphasized is courage. “People want their leaders to be courageous,” he said. “Courage is not the absence of fear. In fact, courage is all about the ability to act despite feeling fear. So, it’s not about being safe and not taking risks. It’s about looking at those risks and then making decisions to deal with them; not always doing things that are safe. All of us want to be able to follow leaders who are courageous when the situation is calls for courage.”

Good leaders evaluate the risks and develop clear-eyed strategies to move their companies forward. “Strategy is all about making choices about what we will and will not do,” said Eppley. “Strategy starts with identifying the few critical things that are disproportionately important to the business and being obsessed with them. And about eliminating the things that aren’t working.”

He advised Summit participants to develop a Stop Doing List. “I want you to write down the things you are going to abandon so that you can spend more time on the things that matter,” he said. This is a critical part of building a strategy because intentionally abandoning things that weren’t important clears a path for the things that need to

be done and helps managers free up the time to do them well. “When you try to do everything, you don’t do anything very well,” he pointed out. “Once you clearly identify what you will do, that’s what gives the business direction and the ability to outline a strategy.”

## Improving Operations Through People Development and Documenting Processes

People development is all about helping everyone in the organization get better at their jobs and to be more productive year-over-year. “If your productivity doesn’t go up as your expenses go up, you go out of business,” Eppley cautioned. “Because your expenses will go up three to five percent every year, you need to at least match that in productivity just to stay even.”

Employee engagement is the key to getting that increasing productivity from your people. Employees need to be engaged and committed to working hard enough to improve their productivity. “Your people need to be able to answer two questions: ‘Why am I here?’ and ‘Why does my job exist? When they can do that, you set the stage for engagement and ultimately improved productivity year-over-year,” Eppley said.

Eppley pointed to Chick-fil-A as an example of a company committed to people development through employee engagement. “This is a company that’s developed a culture in which their people are engaged and excited to be working in the fast-food business,” Eppley said. “Given that the average turnover in retail is 140 percent and Chick-fil-A’s is under 60, that’s remarkable. In that environment, everyone wins. The company wins because lower voluntary turnover means less hiring and training costs. Customers win because these engaged employees give them better service.”

What supports people is process. But most companies don’t have a good handle on their own processes. “Only about one-third of companies are mapping their processes and systems,” Eppley said. “And if you’re not mapping them, you don’t really know how things get done. It’s

no surprise that many of us aren't mapping our company's processes. It isn't a lot of fun. It's not intellectually stimulating, so we don't make time for it. But you have to. If it's not the thing you like to do, you need to find those people within your organization who will do it. Once you map your processes, it's amazing how much easier it is to spot inefficiencies and to create ways to do things better and with more with more consistency."

Companies with documented processes also have an easier time with transitions when key employees leave. "Think of the damage done when someone leaves the company after 15 years and hasn't documented their processes. The loss of intellectual capital goes right out the door with them. You can't let that happen to your company," he said.

## Gaining Control Through Structure and a Strong Culture

"Structure is how we keep our hands on the reins," said Eppley, "And, while it's the least glamorous of the six disciplines, it has the greatest impact. I'd be willing to guess that more than 50 percent of your problems come from your structure."

Structure is how a company deploys its resources – its money; its people; its assets and its time. Structure, he said, needs to be a function of a company's strategy. "When the structure isn't right, it's bad for everyone," said Eppley. "Everybody pays the cost."

But for many companies their structure is based on a strategy they had three years ago. It lags well behind what they are trying to do strategically today. Structure is hard to change, and fear of that change is what keeps many managers from altering it. "Managers will live with the sub-optimal structures that they know because of their fear of the unknown," he said.

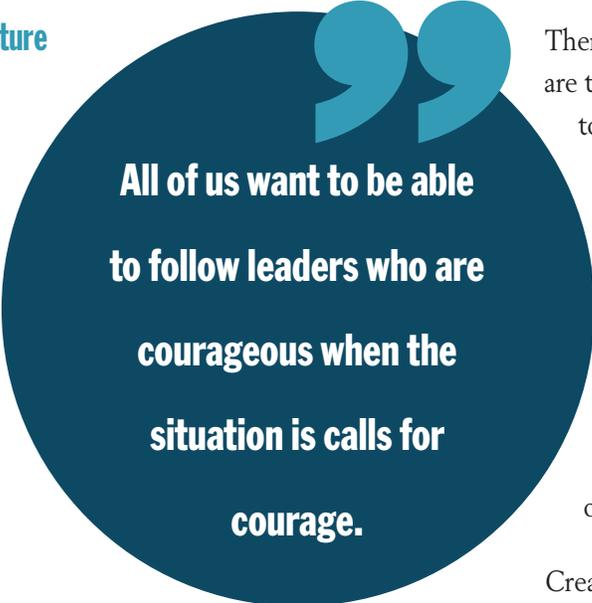
In addition, companies will stick with outdated structures rather than rock the boat with longtime employees. "Many companies are held hostage by an old structure because of the talent they have," he said. "One of the hardest decisions you'll have to make is whether or not to continue to work around someone – someone who's been with you for 20 years, but who now can't do the job they need to do."

The last piece of the puzzle is culture. Culture is a combination of the written and unwritten rules about how people behave. The written rules are often part of the employee handbook. "These are the 'thou shalt nots,'" said Eppley. "They are written for the three to five percent of people who need them; the ones who need things in black and white."

Then there are the unwritten rules. "These are the ones people pay the most attention to," said Eppley. "Unwritten rules come from the boss and how he or she behaves. They are the ones who dictate what's acceptable and what's not acceptable. People take notice of what the boss does with a mistake; how they handle bad news and what their reaction is to disappointing news. That shows them how the organization expects them to behave."

Creating a culture should be a conscious decision made by the organization's leaders. "Most of us get the culture we get because it just happens, but successful companies design their cultures to support their business model," said Eppley. "For example, look at McDonalds. They know they will have high turnover, so they treat their people as disposable easily replaceable operators of machines. Creating a culture is a decision and that's theirs."

Eppley concluded the session with the mantra he started it with: "Every manager's job is producing results and growing people." **CLDA**



**All of us want to be able to follow leaders who are courageous when the situation is calls for courage.**

By Andrea Obston  
CLDA Director of Public Relations



## The Cornerstones of Success

A baseball game planted the seeds of success in Rob Hackbarth. And more than 50 years later, he passed along the lessons of that game to the participants of the Executive Leadership Summit on the first day of the bootcamp.

“I was only 11 years old when I pitched the baseball game of my life. It pointed me to the most important lessons that would shape me and my career,” he said. “But it would be full 10 years for me to learn how to accept the gift that game gave me.”

Here's the story of that game in Rob's own words: "A friend told me about a kid who'd pitched a no-hitter in another ballpark. It was in the newspaper. All I could think about was that no-hitter shut out. I decided I was going to do it. I was going to be famous. I was going to be in the newspaper, too. I said to my mother, 'Today, I'm pitching a no-hit shut out.' During that game I was on fire. I was pitching like I'd never done. I was striking out every batter. That was until the third inning. Someone got a hit, but the center fielder caught it and got him out. But I'd given up a hit! I lost my chance at a no-hitter! I was devastated. Lucky for me, before I could let that get me down, the centerfielder stepped in. He told me that the no-hitter was still in play because he'd saved it. The game finished and we won! Pandemonium broke out. Everyone was congratulating me, but there was no attention paid to the center fielder who saved the no-hit shut out. He was the one who made the play that changed the game. By the way, I never got that newspaper story, but it didn't matter. I never again pitched like I did on that day. Life went on. We remember special moments in our life, but, like a lot of memories, this one got put on the back shelf. That was, until, ten years later, when I was with a friend of my dad's. He'd just read *Think and Grow Rich* by Napoleon Hill and was sharing some of the lessons from it. As he was talking about them, the light went on. I remembered that game and that day. I suddenly understood the lessons of that game. And these lessons have made a difference in my life and played a part in my success. Now, I share them with others so they can do the same."

### *Lessons in Success*

Rob has plenty of experience with success. During his 40+ years in the logistics industry he and his wife, Carol built Hackbarth Delivery Service, Inc. into a regional transportation company. Today, it has 43 locations in 11 states. Rob started a second career, as a motivational speaker and author, when he was 64. He recently published his second book *The Bet*, which showcases the lessons of that baseball game.

What Rob says he learned on that long-gone baseball diamond is three guiding principles. He calls them "Cornerstones of Success." They are:

- Attitude makes a difference
- Passion is a success multiplier
- We succeed in life with a team

"These life principle can be the basis of anyone's success," he said. "They are found in great abundance in highly successful individuals and companies. Success is being and becoming the best of what you are meant to be and do in life. If you build the best practices in your life based on your principles, you will succeed."

### *Understanding How Attitude Makes a difference*

When Rob pitched that no-hitter, his attitude about the game came from his firm belief that he could do it. "Belief is what drove me to pitch that game and that belief came from a positive core attitude. I have learned in life that your core attitude will control your destiny. A lot of that can be traced to how you present yourself to the world," he said.

Rob remembers a day when that idea really hit home for him. He was coming back from a business trip and waiting in line at a diner. A woman approached him with a big smile, as if she knew him. He wondered why the smile from someone he didn't know. "I remember she told me 'As you were coming in you were glowing!' That made my day and reminded me that every time you go anywhere people are reacting to the attitude you show the world," he said.

The incident underscored one of Rob's key principle: What you show to the world is the outward manifestation of your attitude. "How do others see you?" he asked conference participants. "How do you want to be seen? Does it matter how others see you? When you walk across a warehouse and your drivers see you – the way you walk, the way you smile – what do they think about you and about the company they are working for? The people who work for you are like a giant mirror. They

reflect back what you are sending out. You can't hide it. Your whole attitude is there. Great attitude equals great results. A glowing attitude equals glowing results. When you show a positive attitude 24/7 your employees will give it back."

### *Using Passion as a Success Multiplier*

"I had passion the day I pitched that fateful game. I was looking towards being in the newspaper. I wanted it!" Rob said to the audience. "When it comes to translating that to your companies, the lesson is that enthusiasm and passion have to be personal to you and to the people who work in your organization. If you go to work next Monday and you're not passionate about being there, you shouldn't be there. If you can't be passionate, find another seat on that bus (your company) or move. Life is too short not to be passionate and if you have passion it will be a success multiplier."

How do you cultivate that passion for the job in the people in your company? Rob says it's all about helping them to understand the "why" of their jobs and connecting them to your mission. "People crave mission – the why. Once they figure out the why of their work, it becomes their incentive for being there. It becomes their passion," he said. "And, when your people have passion for the job, they can't wait to get to work and they knock it out of the park every time."

### *Succeeding in Life with a Team*

Looking back at that baseball game, Rob sees how critical the team behind him was. That was especially important when he believed his dream of a no-hitter was lost. "When I thought it was over, my teammates supported me. I now realize how important they were to my ability to go on to pitch the game of my life," he said. "And I especially understand the critical role one special player, my center fielder, played. He didn't take any credit when his catch saved my no-hitter, but he was the one who was the key to making it happen."

Applying that to business, Rob asked Summit participants to think about the "center fielders" in their lives. "These are the folks who you call at 3:00 a.m. and they come to your aid," he said. "They want your success as much as you do. If you have such a person in your life, you already know something about success. They will change everything about your life."

Center fielders are critical for a successful company. "They'll be in the back of the room; not necessarily taking credit. But they'll be the ones who are saying to you 'I knew you could do it.' And they will change the life of your company. If you have center fielders in your company, you are already on the road to great success," he said.

How do you cultivate these center fielders in your company? "Be the kind of person you most want and need in your life. If you do that, one day there will be a line of your company's center fielders that's as long as you can see," he said. "Tomorrow, you will walk out of this Summit, just like you've done from other conventions 100 times before. You will go back to your businesses. You will open the door to your organization and see the people you work with. What do you want that to be like? What are you going to do to make it more like you want it to be? What are you going to do to encourage those center fielders to come forward and contribute to your business?"

### *Betting on Success*

Rob ended his session with a bet – a bet that the audience would succeed in the future. "I want to make a bet with you," he said. "I know many of you in this room and I'm willing to bet on you because of your beliefs. I will bet on you because of the great enthusiasm and passion I see here. You know why you're a part of your companies. You know how to recognize those center fielders in your organization because you've been center fielders yourselves. I'm betting on this audience because of your beliefs, your enthusiasm and your teams!" **CLDA**

By Andrea Obston  
CLDA Director of Public Relations

# How to Produce Results and Grow Your People



**There is a trap many managers fall into: Over-focusing on results at the expense of developing their people. Everyone in the logistics field lives in a “git er done” world. That often means managers hand off tasks to anyone who complete them the quickest instead of using them to grow employees’ skills.**

That was the basis for the final session of Day #1 at the Executive Leadership Summit.

Summit leader Ed Eppley started the session by taking participants back to the basics – getting things done. “Everything someone does in their job is a series of inputs that produce outputs,” he said. “If you understand how things get done in your organization, you can see where the opportunities lie for improving your company’s productivity; you can identify the people who are not contributing to that productivity and you can see what processes need to be changed or omitted.”

He urged the participants to do what’s called Systems Process Mapping. Created in the 1990s for manufacturers, the idea was to identify and document all processes. “Toyota changed the world in the 1980s and ‘90s when they did this to help them identify exactly what they needed to do to keep their lines running,” Eppley pointed out. “They also demanded the same kind of process mapping and improvement from their suppliers. Other industries adopted Systems Process Mapping a few years later where it was used in such diverse sectors as hospitals and law firms to improve efficiencies and protect their margins.” He advocated it for those at the Summit to identify concrete ways to improve their companies’ productivity.

### **Productivity is the Key**

Systems Process Mapping allows logistics providers to really see how things get done in their companies and helps them develop the steps to improve productivity. Developing the people who can continually contribute

to high levels of productivity is the next step. “We know the cost of doing business goes up three to five percent every year,” Eppley reminded Summit participants, “So, for us to stay even everybody in your companies has to get three to five percent more productive at their jobs every year. Employees need to understand that. But how do we make that happen? There’s a lot of misunderstanding among employees when we say to them ‘We want you to improve your productivity.’ They hear that and think ‘I’m failing. I’m going to have to work harder.’ That’s not what we want. It’s critical that you help them understand what you mean when you say you want them to improve their productivity. Productivity in most cases is not about working harder. Productivity is all about getting an increase in output with no more increase in input. In other words, yielding more for the same amount of effort; becoming better at a job to get more done with the same amount or less effort.”

### **Eppley offered this formula for Summit participants to consider: Skill X Effort = Results**

Managers who help their employees develop their skills will ultimately see improved results. “Why does your job as a manager exist?” he asked. “To produce results and grow people.”

On the other hand, he cautioned against confusing effort with results. “Just because someone puts in 60 hours, but they don’t produce any more results than someone working 40 hours to produce the same result, that’s not productivity. Productivity is all about how effective and efficient someone is given the same number of hours.”

## Delegating vs distributing work

Given Eppley's definition of a manager's job – to produce results and grow people – he urged the group to understand the difference between delegating and distributing work. Distributing work may get the job done, but it doesn't help you grow your people.

When managers distribute work, their only goal is to produce results. "Distributing work to is all about assigning work to others who will do it with the least amount of effort to produce a result," he said. "When a manager is distributing work, he or she is just looking for the answer to the question 'who can do this the quickest?' At that point, you're not trying to develop that employee. It's about finding the person with the least amount on their plate so you can get something done and off your plate. It's not about 'who can I teach?' It's just about the result. Some of the work you do should just be distributed. You get the right people to minimize the amount of time it takes for these tasks. But, some of the work can be delegated – i.e. as a way to develop your people."

When managers delegate work, it's about producing results and growing the person who's doing it. "In this scenario, a manager is asking him or herself, 'who would benefit most from doing this?' Managers in this case are thinking of that assignment as an opportunity to help someone become more valuable to the organization," said Eppley.

Delegating can be hard for a manager. "Often, it's messy and time-consuming. You need to be okay with

that," he said. "Most of us don't delegate because it can be more work for us in the short run. We are fearful of watching our people make mistakes. If you want to develop your employees, you will have to learn to tolerate imperfection while they are learning. But, think about the damage you are doing to them and your business if you aren't comfortable with them making mistakes. You can't teach experience; employees need to get it. If we protect them from learning something new it's not helping anyone – not them and not the business."

To effectively delegate, managers need to know the talent in their organizations. "You need a Delegation Roadmap," he said. "You need to understand who you should give the precious opportunities to. You need to know the talent you have to know what work you'll delegate to them." He advised participants to rate their employees with two designations: how competent they are in their present jobs and how competent they are to do the jobs above them. For more information about creating a Delegation Roadmap, see the sidebar to this story, "The ABCs of Employee Evaluation" on page 21.

## What it All Means

Eppley concluded the first day of the Executive Leadership Summit with the mantra for the meeting: A manager's job is to produce results and grow their people. He urged everyone at the Summit to take that idea from the conference and put it into action when they got back to their desks after the conference.



# ABC'S of employee evaluation

By Ed Eppley  
The Eppley Group

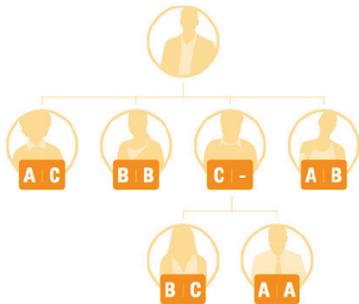
*Ed Eppley is a management trainer and consultant. He is a principal consultant for the Table Group, a Patrick Lencioni Company, facilitator for Aileron's flagship Course for President and operates The Eppley Group. His practice focuses on professional management, sales strategy and organizational health. This article was first published on his blog. To read more of Ed's posts go to: <http://www.theeppleygroup.com/blog/>*

Are you getting the most out of your team? ELS facilitator and presenter, Ed Eppley makes these suggestions for companies that want to identify the untapped potential on their teams

There might be capacity on your team that you haven't been utilizing. Identifying it can bring a quick win in productivity and results. To identify untapped potential on a team I use an approach I call the ABCs of Employee Evaluation. Let me walk you through it.

- "A" is the rank for an employee who is competent in all aspects of the job. She or he is doing her job at a level that meets or exceeds expectations.
- "B" is the employee who is not doing the job at a level that meets expectations. This person is not fully competent in all aspects of the job, but you believe that with time with coaching she or he will become competent.
- "C" is the employee who is not competent and never will be competent of doing the job as it is currently defined.

I use this ABC ranking to rate each of my employees two times. First, in the job they have. I also rank them for their potential to do the job above them, whether that is my job, or the job that would be a promotion from their current job. In other words, I rate every employee with two letters. If you follow the logic that other than very rare cases, a person is never going to be more competent in a job a level above them than they are in the job they now have, then your possible rankings are: AA, AB, AC, BB, BC, or C.



By doing this activity, you accomplish two important outcomes. First, you have created a roadmap for the kinds of delegation and development you should be doing to help each person become more productive in their current job. Second, this activity can make evident the hidden potential on your team. It helps you recognize how many people you have who could potentially do your job at some point in the future. If 2 out of 5 of your people have the potential to ascend to your job, then you know you've got some talent there. If you realize that you only have one person or none who could ascend, then you don't have choices and it tells you that you need to bring someone else onto your team who does have that potential.

To be clear, most people on your team are not going to be ready today to ascend into your role.

But as a manager, it's your job to have one or two people on your team at all times whom you know have the wherewithal to do your job. These are people with fundamental skills, intellect, and ethics that, with the right training and experience, equip them to do their superior's job.

Here's how I (affectionately!) describe the various types of employees according to these rankings.

## AC: The Draft Horse

Draft horses are low-maintenance animals that will pull a load every day if you give them hay, oats, water and a clean stall. AC employees are often subject-matter experts and often the most talented at doing what they do. They take pride in their expertise, and while they might be curmudgeonly about it, they want to see the organization be successful. But they don't like change, they don't like to babysit people who aren't experts, and they generally don't consider special projects to be a reward. Their mantra is, "Leave me alone and let me do my job." Every organization needs the AC employee. They're an A first because they are excellent at what they do. But they're a C second because they couldn't or wouldn't want to do the next higher job in the organization. We love these people because they are dependable and predictable in the results they produce.

## AB and AA: Thoroughbreds

These are your high-maintenance, high-performance players. Just like thoroughbreds are raised to race and compete, AB and AA employees need to be challenged and given opportunities to grow. If they're not going to get a chance "to compete" and to move up in your organization, they're going to leave. You can throw these folks into the deep end of the pool and give them tough, challenging work. They typically love it. They will find a way to get it done. Of course, the AB or AA who is young and new to their career might have an overinflated sense of their own capacity. Help them grow by teaching them humility: Put them in situations where they can't win. By learning that they're not totally infallible, they will begin to recognize their blind spots.

*...as a manager, it's your*

## BB: The Colt

The BB employee is the playful youngster in the adult body. They're genuinely likeable, and when they make mistakes it's generally due to a lack of knowing better. They're not bad or incompetent, just inexperienced. They've got a positive attitude and they're always saying, "Put me in, coach!" Indeed, your job as their manager is to compress time and find out whether, with experience and coaching, these folks can be A employees. Let them drink from the firehose. Give them lots of core competency repetitions. Temporarily delegate work from your AC to your BB to help them grow.

## BC: The Horse with No Name

A lot of BC's were once an AC. You have a subject matter expert who has become a cynic. (Cynics are people who used to be passionate about the job and company but no longer are.) He said, "Leave me alone, let me do my job," so you did. But we didn't challenge him to get better, and now the organization has passed him by. His passion for the job has waned, and so has his expertise, so people don't come to him for answers anymore and he's bitter. If an AC became a BC under your watch, you need to own it. It might be a tough conversation, but the manager should share the responsibility to fix the situation. Agree to work together for 90 days to change the trajectory of this person's career. You'll need to help him understand that, regardless of how long he's been with the company or what his expertise was in the past, he's now considered a marginal performer and you want to help him improve.

## C: The Ring-Sour Horse

To stick with our equine theme, a Ring Sour Horse looks promising outside the show-ring, but on the job, it fails to perform. Typically, the C-rated employee has kept her job because she's a good person who's trying. She probably has a strong fit with the company culture. If she were a jerk or totally incompetent, you would have fired her. But because she fits with your culture and is trying hard, you give her the benefit of the doubt—many times.

In my experience, the kinds of organizations most likely to have Cs are either extremely profitable or fast growing. Highly profitable organizations can tolerate C employees and create systems to work around them. In fast-growing companies, rapid scaling camouflages problems like marginal performance. When you're expanding quickly, you need a lot of bodies.

Ironically, when a C-performer is no longer in that role, you'll hear, "It's about time," or, "I wondered when you were going to do something about that." Remember, marginal performance is never a secret, and the biggest thing you risk with the presence of this perpetual marginal performer is the loyalty of your top performers. The people most at risk to leave you when you have a C player are your best performers. It's very demotivating for your AA and AB people to work alongside a C.

One more thing about a C: If you've ranked an employee a C in their current role, you don't need to bother ranking that person for the role that comes next. Instead, you need to figure out if there is other work they'd be suited for elsewhere inside your organization, or if the best fit for them is outside your company.

*job to have one or two people on your team at all times whom you know have the wherewithal to do your job.*



By Andrea Obston  
CLDA Director of Public Relations

**M**anagers who cultivate exceptional performance from their teams do it by a combination of coaching, discipline and mentoring. They align performance with expectations. And, most importantly they make it clear to every individual at all levels what success looks like. These were the key take-aways from the opening session on the second day of the Executive Leadership Summit.

Summit leader Ed Eppley kicked off the session with a question: “How does someone become a manager?” He pointed out that besides being above-average contributors, those who are elevated to the role of manager need to have some combination of humility, hunger and emotional intelligence.

When an above-average contributor gets the good news that he’s being promoted to manager, Eppley said the conversation often goes like this: “You’ve been do-

ing a great job. You bring the right attributes to the job. I’m moving out of this position and I think you’d be a good person to take my place. I think you can take the team to the next level. Do you have any questions?”

He pointed out that this conversation can, and often does, set this newly minted manager on the road to failure. “Let’s start with the question posed to this individual: ‘Do you have any questions?’ How can they respond to that? This person doesn’t know what they don’t know. He’s been thrust into the role of managing people to get results when his career has been built on creating results for his own performance. He’s being put in an unfair situation by a manager who thinks she’s doing him a favor. I don’t doubt that she has good intentions. She assures the new manager that she’ll be there to support him, but usually this doesn’t happen. The manager moves up and she doesn’t worry too much about him because he’s been such a consistent performer in the past. But the truth is that he’s ill-prepared for what’s ahead for him.”

Eppley reminded the group that when an employee goes from being a member of a group to leading that group, it's often not smooth sailing. His former colleagues may even indulge in a bit of a hazing. "He says to the team 'We're going to raise the bar' and the cynical voices in their heads say, 'Sure we are.' They aren't going to make his job any easier. That new manager hasn't earned their respect as a boss. He may have had that respect as a peer, but now the dynamics are quite different."

The business moves on. The new manager tries his best to solidify his position as a leader, but not much changes. He meets with his former manager briefly and she asks, "How it's going?" "Fine, just fine!" he responds. They go back to their day-to-day workloads and his manager believes all is well.

Until their first formal check-in 30 days later when his manager takes a look at the numbers. "The results aren't changing," she says. "What's going on?" That's when he confesses that he simply can't get the team to up their game.

"This is an above-average worker who hasn't been trained to be a manager," said Eppley. "So, what does he do after that uncomfortable meeting with his boss? He says to himself, 'I gotta get this moving' and he comes back to his people with the same message, 'We gotta get this moving!' Why is this a recipe for disaster? Because the basic concept of what a manager is hasn't been explained to him. Remember, a manager's job is to produce results and grow people. Up until that point, his success has been all about him producing his own results. He knows nothing about getting things down through other people. Who can blame him for going back to his old ways? He knows the path of least resistance is for him to take on the work himself to please his boss and get the results she wants to see. And, for a while it works. He puts in more effort and the numbers start looking good. He's rewarded with

approval from his manager as she says, 'I knew you could do it.'"

By the end of the year, the numbers are good, and he gets a bonus for those results. Unfortunately, those positive results came from his efforts. He hasn't developed his team and, instead, is filling the gap on his own. But the team isn't fundamentally any better or any more productive. Based on the great results, his manager raises the bar again and year two is a nightmare for him. He's working harder than ever. He's stressed and getting burned out. While his manager sees the new, higher goals as a way to raise the capacity of the team, that's not the case. He's no better as a manager and the gap gets wider. He gets more stressed; burns out and finally decides to leave the company.

"He is not the problem," said Eppley. "The company's bias towards results is. Instead of emphasizing training for their new managers they simply demand higher performance from the team. If companies don't spend time improving the skill of their managers, the capacity of their teams can't keep up with expectations."

## SCOREBOARDS AND PERFORMANCE EXPECTATIONS

The seeds of that manager's burnout were sown in that first, cursory meeting between him and his boss. "It is unfair for a person to answer the question, 'How's it going?' when he has no idea of what the performance expectations are," said Eppley. "There's the manager's view of the world and other person's view. Sometimes they intersect but most times they do not. Good managers make it clear what success looks like. Our new manager didn't get that. No one told him how success would be defined. These are the five to eight things that spell success. When do those get specified? Often, they don't. In many cases, they aren't made clear to employees until their bosses are getting ready to fire them. That's when they learn what their results should have been. Managers don't want to do the grunt work

involved in defining success. The lesson is that you, as a manager define the conditions that define success. You need to set specific, measurable, attainable and timebound goals. Goals that align performance with expectations.”

Scoreboards can be useful tools in this process. There are company scoreboards and team scoreboards. Company scorecards let everyone know the status of the company’s performance in real time and help teams respond to this. The purpose of a scoreboard is to see whether you are winning or losing. To understand where you are relative to the “game.” Are you ahead or behind relative to the time left to “play” (i.e. the performance goals and timelines)?”

A scoreboard helps everyone in the organization understand what they are doing to help or harm it and how their work feeds into the company’s success. “Scoreboards allow people to see the whole picture of how the company is doing,” said Eppley. “They help people make adjustments; to ask themselves, ‘Do I need to be doing something different to get where we want to go by the deadlines we’ve set?’”

Scoreboards also help managers manage. “A manager’s job is to support, challenge and correct the people who work for them,” said Eppley. “You need to coach, discipline and mentor the members of your team. Managers need to look at how each member of their team is wired when they do this. A manager’s job is to decide how best to help every member of the team elevate their productivity.

He reiterated the Summit’s mantra: A manager’s job exists to produce results and grow people. He added another condition: “Your job is also to keep marginal performers uncomfortable. Not by being mean to them. Not by beating on them. By letting them know when their performance is not up to the standards you’ve outlined. If they are underperforming, they need to know

that their current status quo is unacceptable.”

He advised structuring a conversation with an underperformer as a “we” conversation. “Instead of calling them out for poor performance, that first conversation should start with something like, ‘We need to work together to make your performance better.’ It should be about elevating productivity and performance to a defined level.”

This conversation may be what an underperforming team member needs. But, if they don’t elevate their productivity, Eppley says it’s time to move to the next level. “If they don’t take ownership of the issues, the conversation moves from ‘we’ to ‘you.’ Most of us have a tough time with that. We are uncomfortable telling someone what’s not working.”

Eppley pointed to four steps to follow when managers need to have this kind of difficult conversation. They come from a book called *The Managerial Moment of Truth* by Robert Fritz:

- Agree on the truth of what’s happening
- Diagnose how it happened
- Decide how we are going to fix it
- Develop a plan to monitor whether it happens.

## HELPING HIGH ACHIEVERS BECOME EXCEPTIONAL MANAGERS

The road from employee to manager can be a rocky one. For both the individual and the organization. Companies that want to develop managers who will lead their teams to higher and higher level of performance need to give them the tools to succeed. They need to clearly define the expectations for the manager and the team they lead. And they must share with them the ways that their success and the continued productivity of their teams feed into the company’s overall viability. “Ultimately,” Eppley said, “It’s all about striking the right balance between producing results and growing your people.” **CLDA**



By Andrea Obston  
CLDA Director of Public Relations

# CREATING A TRULY HEALTHY COMPANY

The manager's role establishing and reinforcing an organization's culture is the key to creating a truly healthy company. The process starts with an understanding of where the organization is in the growth cycle and what kind of culture will support its business model.

Like all living things, there is a life and death cycle for organizations. Effective leaders understand where their organizations are in that cycle and what kind of leadership they need right now. "The best leaders are highly self-aware of what they are good at and what they are not good at," said Executive

Leadership Summit Leader Ed Eppley. "Self-aware leaders ask themselves 'What kind of leadership do I need to exhibit for the organization to be a better business?' There's a point where the business doesn't need what you, as a leader, are good at. And it needs less of what you're bad at. Leaders who overplay their strengths harm a good number of businesses. And those that ignore their weaknesses compound the problem. To be a good leader you need to be self-aware enough to know what you're not good at. Think about what is not easy for you. Ask others in your organization what you're not very good at and where you need to improve. Then think about

# I CAN TELL HOW WELL A COMPANY IS RUN BY HOW WELL THEY RUN MEETINGS; BY HOW DYNAMIC THEY ARE...

how you're going to overcome your weaknesses to get the business to the next level."

Changing what we're bad at is not easy, he assured the group. He compared this to learning to ski. "When you first learn to ski, what they say to do is not natural," he said. "Ski instructors tell you to lean down the hill. Your brain says, 'Why do that? It makes me feel like I'm going to fall.' It's not intuitive. Just like that experience, changing what we are bad at is not intuitive. The first few times you do try on a change, it's scary. Most likely, it's also not enjoyable. You have to think about what you're doing while you're doing it instead of operating on instinct."

## Asking for the Moonshot

Those who lead truly health companies have the ability to get their people to produce beyond what their employees think they can. "Great leaders get performance that exceeds the expectations normal people will ask for," said Eppley. "They inspire their people to do more than what they think they are capable of. Often, that means pushing people outside of what's comfortable for them."

Eppley called it "Asking for the moonshot," harkening back to President John Kennedy's famous "Moonshot Speech" in 1961. This was a call to the nation to do what was seen as being impossible – to send a human to land on the moon. In it he said, "We choose to go to the moon ... and do the other things, not because they are easy, but because they are hard, because that goal will serve to organize and measure the best of our energies

and skills..." Like that speech, Eppley's charge was for managers to inspire their people to go after an outlandish goal that seems impossible. "You need to know when to ask for a moonshot. That's the daunting path that makes people say 'you're crazy' at first. But you also need to realize when it's not the right time for that request; when you should be focusing on incremental improvement. Knowing what and when your organization needs is what a great manager does," he said.

## Energizing Your People Through Meetings

One of the best things you can do for your company is to get skilled at running meetings. "I can tell how well a company is run by how well they run meetings; by how dynamic they are," he said. "Do your meetings produce energy or take energy from those who attend them?"

The average meeting ends with most participants being unclear about what's been decided. "If there's confusion created by the meeting, it's not productive. Team members leave that meeting saying, 'The left hand doesn't know what the right hand is doing.' Someone at the end of the meeting didn't say 'what decisions did we say we made? When meeting participants can answer that question, they leave with clarity about what the meeting produced."

Eppley pointed to the positive role of meetings that encourage productive conflict. "What makes for a good movie? Tension. What we are looking for in good meetings is tension, but in a positive way. Meetings that foster productive conflict are dynamic," he said. "They are

unlike other meetings where you have artificial harmony. These often lead later to destructive conflict. You've been in those meetings where people blame others; launch personal attacks and try to win at someone else's expense. Meetings that encourage productive conflict are the opposite of that. They encourage participants to debate passionately about the right issues. And when they are over people will say, 'We needed to have that conversation.'"

Meetings should be held to solve a problem or to debate what to do and how to do it, he pointed out. "Most meetings are about reporting out what's happened. That's not a productive use of anyone's time. There are other more productive ways to share that information, but often these 'reporting out' meetings are what employees are subjected to. By contrast, good leaders mine for conflict and use it to spark a discussion in their meetings. They say: 'Let's get agreement about what the problems are that we need to fix and work on them in the meeting.'"

Eppley conclude this topic by charging those present to run better meetings. "You have a responsibility to run good meetings," he said. "You can't delegate that away."

### **Building in a Culture that Leads to Commitment**

"Your role is eliciting the right kind of commitment from your people and reinforcing a culture that connect them to your organization's purpose," said Eppley. "People under the age of 40 need purpose in their jobs more than those over the age of 40."

The right culture makes people want to give their all. "As a leader, you have to ask yourself what kind of culture you need to cause people to want to give you their best effort?" he said.

Culture consists of the written and unwritten rules of an organization. "A culture should be one that makes it easy for people to behave in the ways that you want them to behave," pointed out Eppley. "You want to create a culture that supports your business model; one that's based on what your business needs. Some cultures may be comfortable for the leader of the company but may not support the business model the company really needs."

Cultures comes about through a series of decisions. What serves your business model best – a culture that emphasizes freedom or control? A culture that's more inwardly focuses or outwardly focused? "Ask yourself, 'Where are we now?' 'Where do we need to take the organization?' Does the current culture support where we want to go?" If not, it may be time to change it," Eppley said.

He pointed out that changing a culture is tough. "It's as marathon. Our rule of thumb is that it takes one year of effort for every layer of management you have to produce a new culture that is the new way your company does things," he said. "Throughout that effort, management needs to do more than introduce the change. They need to truly stick to it. They strive for more than compliance with the change. You go after a commitment to it. And when it's accepted and the change is real, you will be managing a truly healthy company." **CLDA**

# AS A LEADER, YOU HAVE TO ASK YOURSELF WHAT KIND OF CULTURE YOU NEED TO CAUSE PEOPLE TO WANT TO GIVE YOU THEIR BEST EFFORT?



# From Start-Up to Success

## *How One of the Newer Logistics Providers is Making it Work*

By Andrea Obston  
CLDA Director of Public Relations

On December 1, Pearl Transportation & Logistics will celebrate its eighth birthday. Not bad for a company that started life in a 250 square foot office that was just big enough to hold three desks and not much else. Recently, the company moved to a 3000 square foot space; one that includes a warehouse for a rapidly growing sector of their business.

Pearl Transportation & Logistics' growth since its founding in 2011 has been dramatic. Founder and CEO Lorena Camargo and Chief Operating Officer Guadalupe Morales worked their way up in the logistics industry, moving from drivers, to dispatchers, customer service reps and into management. Lorena's struggles and victories are lessons for every small logistics provider that wants to grow their business.

### From Part-Time Receptionist to Company Founder

Lorena Camargo did not expect to spend her life in the courier business. "I started in this industry with a part-time job right after high school. I was 17. I didn't even have my driver's license. I had to get to work by bus! I just needed a job to support myself while I took classes on a path to getting my degree in mechanical engineering."

She got the job quite by accident. Guadalupe, who is also Lorena's sister, met the operations manager of Continental Messenger, Marvin Rivera. She suggested that Lorena send him her resume. Lorena recalls, "He immediately called me and said 'Is this for real?.' He looked over my resume and was surprised I had experience in computer programming and was proficient at Microsoft Office. Yes, that was a big deal at the time."

Originally hired to answer phones, Lorena's work ethic got the attention of the company's owner, Barry Greer. "They were bringing on a new technology partner on a different operating system and they saw how instrumental I was in that transition."

It didn't take long for Lorena to expand her duties on her own because she found she really enjoyed the business." I originally started working 15-18 hours a week and then I saw how much I was able to do, so I just increased my hours," she says. "I fell in love with my job – the customers, the people I worked with and what the company did. Stuff needs to get moved for stuff to get done. I loved that then and I still love it now!"



was as if I had discovered a whole new world and I wanted to know everything.”

The year 2007 was a turning point in Lorena’s logistics career. The company sent her to a CXT Software users’ conference in Phoenix. “I was 19. It was the first airplane trip I’d ever taken by myself,” she recalls. “I felt so appreciated by the fact that Barry sent me to that conference. While I was out there, he also suggested I visit another

courier service run by one of his friends called Top Priority. I was struck by the fact that Barry trusted me to see how another courier operated and to bring back some ideas for Continental. I learned a lot on that trip and brought back so many ideas to enhance our operations.”

A few months after that the operations manager who’d hired Lorena put in his notice. After a few failed replacements, Continental

asked Lorena to take over the position. At age 20 she became the company’s VP of Operations. Four years later, Lorena was immersed in the business and determined to make it her career. She loved dispatching, visiting customers and handling any issues that came up. But starting her own company was not on her radar. Until a visit from her boss. “Barry wanted to retire due to health reasons,” she recalls. “He said to me, ‘You’ve been running this whole place. Everything you’re doing is what an owner does. You should start your own company.’ I just said no. I didn’t think I could. I was too young and too inexperienced in the business. But he really believed in me. If it wasn’t for his encouragement, I would not have started Pearl.”

Lorena progressed from answering phones into an unofficial position as a CSR: “I was still going to school, but I found I was actually more interested in my work at Continental. I said to myself, ‘I have to show my value here.’ I got along with the operations manager, so I offered to help him.”

She did everything from folding and stuffing invoices to handling customer service calls. “The operations manager loved sales,” she recalls. “I would hear him make those sales calls. I told him I wanted to try to do that. Eventually, he let me make a few sales calls. One of the first calls I made was to a company called Balcony Press. I got that sale! By the way, that company is still one of my customers – at Pearl.”

Eventually, Camargo took on so many responsibilities that Continental made her full-time. She kept learning; trying to get into all phases of the business. It turns out she had a knack for dispatching. “I started out asking if I could just sit with the dispatcher,” she says. “I wanted to know how it worked. The first time the dispatcher let me talk to the drivers I was hooked. It



# The good and bad news about founding a business ...

Greer decided to close his business at the end of November 2011. “He said to me, ‘I’m going close my doors. These customers are going to have to go somewhere else.’ He sent his customers a notice he was closing down the business and, although they had the option to take their business wherever they wanted, he mentioned I’d be starting my own company. I still have that notice. Continental closed down on Nov 30, 2011 and on December 1, Pearl Transportation was born, fueled by the business of Continental’s top five biggest accounts. Every one of them stayed with our company and they are still with us today. I was able to drop their names as I went out to bring in new business. It worked. They figured if we were good enough for those big companies, we were good enough for them.”

## Steady Growth Year Over Year

Revenue since those early days continued to rise. Pearl has grown every year between 10 and 15 percent, and they’ve matched Lorena’s former employer’s company in terms of revenue. There are six people in the office and the company keeps 35 independent contractor drivers busy serving their over 200 customers. The company’s staff fields a couple hundred calls a day delivering in Southern California, throughout the West Coast, across the US and overseas. “We like to say we will deliver anything anywhere,” she says. Today, Pearl is a full-service courier service and logistics specialist that provides pickups, deliveries and warehousing. Their services include on-demand courier services; routed deliveries; next flight out services; trucking; warehousing and distribution and customized logistics services.

## Advice on Growing Your Company

What can small, growing companies learn from Pearl’s steady evolution? Lorena offers these tips:

**You can’t do it all. And you shouldn’t** – When you start your company you think you’re the only person who should do everything. “When I began, I needed to have a hand in everything,” remembers Lorena. “But I quickly found out that if you want to grow in business you can’t have that mentality. It takes a toll on your personal health and the health of the

business. You need to learn to delegate. And, you need to learn the difference between delegating work and distributing it. I learned those lessons and now I trust my people, rely on their reports and keep talking to customers for their feedback. It’s the only way to grow.”

**Get out of your comfort zone** – Every business owner knows there are parts of the business they love and some aspects they simply aren’t comfortable taking on. While it’s fine to acknowledge these, Lorena warns that you can’t grow a business if you only do what you’re comfortable with. “I had to learn that I needed to get out of my comfort zone,” she says. “At the beginning of the business, I stuck with the things I was comfortable doing like dispatching. I also loved answering phones and I was good at it. But that’s not what a CEO does. What I was uncomfortable with was going to networking events and meeting new people. But you have to do it. You’re representing the company, so you have to go out there and work those rooms.” And work them she does. Lorena is a familiar face at networking events sponsored by such diverse group as the CLDA, the National Association of Women Business Owners and the Los Angeles Chamber of Commerce. She also gets involved as a committee member and presenter. “You can’t just go to the events. You have to get involved and make yourself a visible part of the organization,” she advises.

**Know that it’s personal and always will be** – The good and bad news about founding a business is that it will always be more than a job. It’s personal. You take the company’s successes and failures to heart. “When it’s your company and it’s your story, any little mistake frustrates you. That’s okay,” she says. “Feeling it personally means you work harder to make every mistake right.”

**Find a mentor who can relate to your struggles** – From Pearl’s early days and beyond, Lorena has turned to industry veterans for advice. Barry Greer, her old boss at Continental, was the first. A former board member of CLDA’s predecessor, the MCAA, Barry introduced her to Mike Gualtieri and Rob Slack. Lorena still considers these two former presidents of the association her mentors. In addition, Lorena credits a decade-long relationship with industry powerhouse and

DO IT WITH  
**passion**  
OR DON'T DO IT AT ALL



*... is that it will always be more than a job.*

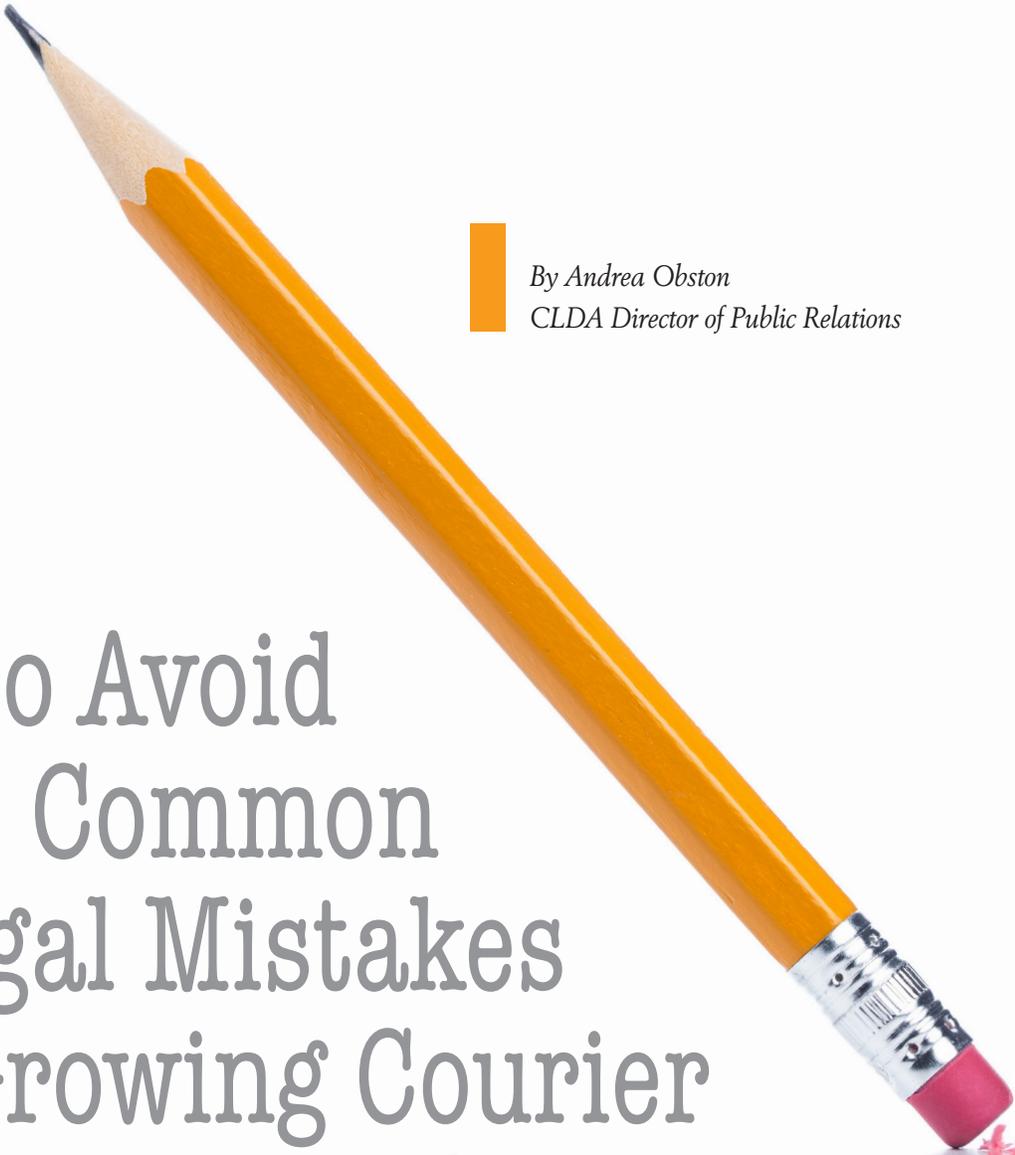
trail blazer, Phyllis Apelbaum as a cornerstone of her success. “Phyllis has been one of my biggest cheerleaders and advisors since the beginning,” she says. “She’s who I want to be. She was one of Barry’s friends. I knew of her before I met her. When I was at Continental, I would help sort the mail. I would find and read Courier Magazine before my boss did. Phyllis was featured in that magazine. I still have the article about her. Once I read it, I really wanted to meet her. Phyllis spends her winters in Palm Desert, so Barry arranged for me to meet her there. Right from the beginning, I identified with Phyllis and she’s been so generous to me throughout my career in this business. I needed a woman to look up to who had succeeded. I had no other women I knew I could look up to. She’s more than filled that role.”

**Join an association** – By joining and participating in professional associations, you get to meet industry veterans, learn about best practices and get a front row seat on developing trends. You meet people who’ve been in the industry and can share their experiences. “When you become an active member of an association like the CLDA you learn from the best,” says Lorena. “CLDA members have helped me avoid many bad decisions. Through their events I have networked with the veterans - people I never thought I could talk to like

Tony Racioppo and Rob Johnstone. I looked up to those guys before I met them and at CLDA events people introduced me to them. I’d ended up eating lunch with them and just absorbing everything they shared with me. They have been so open about sharing their experience with me. Through them and others at those meetings I’ve gotten business. I also found that these meetings allowed me to make connections with industry veterans who I could turn to for advice throughout the year. I know I can just pick up the phone and get their honest feedback. People outside the industry can’t do that, but these people can and will.”

### What the Future Holds

As Lorena looks towards the future for her company, she is optimistic. “With our move in June we added a warehouse, which expanded our ability to offer our clients storage and distribution. In addition, we expect to grow our Next Flight Out, medical courier services and white glove delivery, as well as opening up another location in Las Vegas. When I think about my early days as a 17-year-old who surprisingly fell in love with this business and, 15 years later, has her own courier company, I am amazed and proud. I can’t wait for the next decade to see what it will bring.” **CLDA**



By Andrea Obston  
CLDA Director of Public Relations

# How to Avoid the Most Common Legal Mistakes Small & Growing Courier Companies Make.

If you watch enough TV, you believe that all you need to set up a business is a link to an on-line legal advice website and a computer. And, if you ask your friends what else you need to set up a courier business, they'll suggest a phone, a desk and putting your grandmother on speed dial for when you run short on cash. *Easy peasy, right?* Wrong. The way you set up your company and treat it during early days can be the foundation for success or open the door to some pretty scary outcomes.

We recently asked Cristine K. Huffine, Esq to help us pinpoint some of the legal issues that young and fast-growing courier companies overlook. She is a partner in the law firm of Swift, Currie, McGhee, and Hiers, LLP in Atlanta and has represented a number of courier companies.

“ Ignorance is not bliss. As a business owner you are charged with the responsibility of investigating issues and talking to the right sources about what you need ”

Atty. Huffine identified five areas that small and growing courier businesses often get wrong during their early years: deciding on how to structure their businesses legally; understanding the licenses they need; choosing appropriate insurance coverages; understanding and complying with workers compensation rules and creating their employee handbooks.

**How the business is listed and structured** – Choosing to incorporate or to function as an LLC or an S Corp should be one of the first decisions a small business owner makes. “Don’t take just one advisor’s word for this,” cautions Huffine. “There’s a lot of misinformation out there. You really need to investigate and look at all of the angles.” She points out that a CPA may suggest one kind of organization because it’s best for taxes, but it might have negative implications for other purposes. “Of course, you want to talk to your CPA to get his or her advice, but you should also talk to a lawyer who focuses on different issues. And a business insurance broker who has their own perspective. Weigh the advice each gives you before you decide. They all have their own perspectives and it’s your job to choose the one that benefits the business overall.”

**Which licenses you need** – Licensing decisions in our industry are tougher than a lot of others. Because couriers operate in different states and in different verticals, it’s important to get the proper licenses to cover all that you do. “There are different levels of licensure that you need to get. Some satisfy state regulations and others are required by federal law,” Huffine advises.

The questions she suggests you answer are:

- *In which states do you operate?*
- *Do you operate across state borders?*
- *Do you handle hazardous materials?*
- *Do you transport materials like medical specimens that require constant temperatures?*
- *Do you do Next Flight Out work, which requires TSA compliance?*

“There’s a lot of misinformation out there. You really need to investigate and look at all of the angles.”

“For a company that’s just starting out and wants to grow, it’s great to be in a group like the CLDA to be able to talk to other business owners who have already been down these paths,” she suggests. “Look for advice from those who have already experienced the industry’s pitfalls.”

**What insurance coverage your business needs** – “Not having the right insurance is one of the biggest mistakes we see with these companies,” counsels Huffine. “A lot of people think that just having insurance on vehicles will cover everything. That’s not the case. Policies may cover the medical aspects of an on-the-job injury for a worker or driver, but they may not cover them in terms of lost wages and things like that. You don’t want to get in the situation where a worker files a claim and the insurance compensation turns it down by saying ‘That’s workers compensation and we’re not paying for that.’”

People also tend to overlook the consequences of an uninsured driver getting into an accident with one of their drivers. “If your driver is hit by another person who’s only carrying liability and is not insured appropriately – and you’re not – there could be big issues around who will compensation the driver for damages,” she says.

What can you do to make sure you’ve got the right coverage? Huffine advises using a business insurance broker. “Use your broker to your advantage. Ask them about the types of insurance you need to cover the different aspects of your compensation. If they don’t know, ask your fellow couriers to refer another insurance broker who’s familiar with the industry,” she advises.

**Whether you must have workers compensation** – “I’m amazed at the number of couriers who don’t make good decisions about workers compensation coverage,” Huffine says. “They go to a broker who helps them with liability issues and property issues on their vehicles and facilities, but who doesn’t understand workers compensation. For this issue, you need to work with an attorney who understands the workers compensation rules in your state. I had one client who was uninsured for workers compensation because he was told it wasn’t required because he had less than five employees. He was wrong. In Georgia, you must have workers compensation if you have three or more employees.”

She reminds business owners that not knowing the law about these issues is not an excuse or a defense. “Ignorance is not bliss. As a business owner you are charged with the responsibility of investigating issues and talking to the right sources about what you need,” she cautions.

**What's in your employee handbook** – No matter the size of your compensation any, if you have employees and deal with ICs, you need an employee handbook. It should be carefully constructed in consultation with an employment lawyer. An employee handbook explains what you consider professional behavior and what might be a terminable offense. “Having an employee handbook documents the policies you have in place and outlines what you expect of your employees,” says Huffine. “It helps you screen job applicants and codifies your procedures involving things like background checks. Suppose one of your drivers is in an accident and he tests positive for drugs at the time it happens. If the company he was driving for doesn't have documentation that he and all their drivers are required to be screened for drug issues, they could be charged with negligent hiring.”

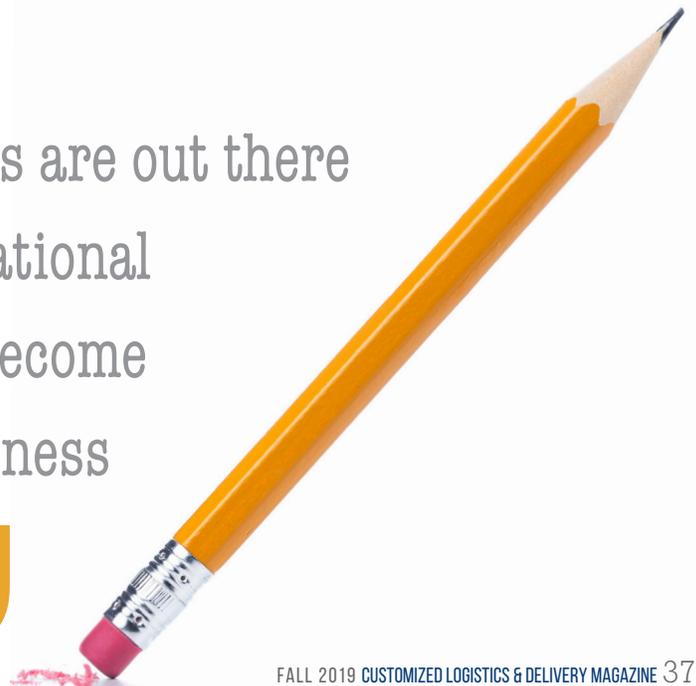
Given today's digital environment, Huffine also urges couriers to state their policies on the use of social media in their employee handbooks. This section should cover both what people can post on company social media as well as the things you consider unprofessional in their personal social media posts. “While you can't explicitly tell people what they can and cannot do on their own social media, you can explain that you expect them to act professionally on and off the job, including on social media,” she says. “Give employees guidelines that tell them what you consider unprofessional behavior. You can even go so far as to say that the disclosure of information on clients could make them subject to termination.”

The law in this area is constantly changing as social media is increasingly woven into our lives, so make sure to check the wording of your handbook with an attorney who is well-versed in this evolving area of the law.

#### FINAL ADVICE

Huffine concludes her advice by reminding small and growing companies to cultivate personal relationships with industry veterans. “You're making a big mistake if you don't join professional associations like the CLDA to make those connections,” she says. “These associations are where you learn about the latest trends; find out how to make the most of technology and meet people who can help you avoid the mistakes they may have made. That's where you'll get the answers and the education you need to run your company. Know what associations are out there on both the local and national levels. Join them and become active to help your business thrive and grow.” **CLDA**

“ Know what associations are out there on both the local and national levels. Join them and become active to help your business thrive and grow. ”





By Andrea Obston  
CLDA Director of Public Relations

# GROWING THE SMALL COURIER COMPANY THROUGH TECHNOLOGY

**“BUILDING A BUSINESS WITH THE RIGHT TECHNOLOGY IS MUCH LIKE BUILDING A HOUSE.”**

With those words CXT's Jim Luciani sums up the critical role that technology must play for small courier companies that want to thrive in today's environment. While industry veterans talk about starting their companies 20 years ago with just a phone and a beeper, today's start-ups have a much higher technology threshold to leap.

We asked some of this industry's technology gurus to give us an overview of the critical role that the right technology plays in the growth of companies starting up today.

*We talked to:*

- Eric Donaldson, Chief Business Development Officer, Sales for Dispatch Science
- Jim Luciani, Vice President of Sales and Marketing for CXT
- Patrick Scardilli, Vice President of Sales and Marketing for Key Software Systems.

### QUESTION

*Why is technology so important for a young company that wants to grow?*

**LUCIANI:** Technology is the backbone and foundation of everything we do these days.

**DONALDSON:** Jim's right. Customer demands are pushing for visibility and functionality more today than ever before. Shippers expect immediate data and they want to see it in real time. Companies with the ability to receive, gather and display transactional data in real time succeed. Plus, the right technology automates many tasks that used to be done by hand. This allows for tremendous cost savings during the lean times. The right technology eases start-up time and costs, while at the same time opening other business opportunities within the logistics space.

**SCARDILLI:** For a young company focused on growth, technology provides users with a significant amount of structure, agility, and most importantly, leverage. The right technology influences every part of the business – from operations, to dispatch, mobile and integration software solutions. Technology used well improves customer and driver communications, internal operational processes, sales strategies, accounting practices, reporting needs, and even a company's brand.

The structure that technology provides enables businesses to create processes and procedures that ensure that growth is in-line with their goals. With these in place,

companies can quickly make decisions to adapt to customer expectations and be responsive to changes in the market. Without technology, it's difficult for a business to be agile and avoid the feeling that they are simply responding to every whim of a customer.

Courier companies that automate dispatch, communications and customer notifications can leverage their systems to scale as they grow. They don't have to continually add more people, training or space when they get more work. This frees up key people for more growth-oriented tasks.

Applying a dynamic and deep technology suite provides benefits that can ease growing pains; help companies exceed customer expectations and keep operating expenses to a minimum by letting the system do the work.

### QUESTION

*For a small company with limited resources, what is the minimum they need to do?*

**DONALDSON:** Companies must be able to receive data in their customers' manner of choice. This includes API, file import, web order entry, and even EDI. Courier companies need methods to automate communication with their clients - the shippers - and to share transactional information with them in real time.

Aside from taking orders, couriers need modern, attractive mobile technology that enables easy task and delivery completion in the field from any device. This allows a company to attract and retain talent because today they are competing for drivers with very well-funded organizations like Uber and DoorDash.

**LUCIANI:** At a minimum, a company must have a platform that allows them to take orders, dispatch drivers and invoice. Delivery companies also need a mobile solution for tracking, and order status updates.

**SCARDILLI:** At a minimum, a small company should invest the time to know the ins and outs of the technology they

use. Every nook and cranny of it. If they do this, when they are faced with man-power and financial limitations they will be able to uncover new ways to use the system to achieve their goals, uncover potential pitfalls or reveal new opportunities. Smaller companies, especially, should work with their technology providers to increase utilization of the systems they have through demos, training and videos.

### QUESTION

*What are the most common mistakes small companies make when evaluating and prioritizing their technology needs?*

**DONALDSON:** I'd say buying on price and not capabilities is the biggest mistake. Next comes installing without thinking through their business processes. It's a mistake to think the software will figure it out. We also see small companies having a fear of newer technology, thinking they'll be "safer" by buying older systems.

**LUCIANI:** We also see these companies choosing a product without thinking about the long haul. That's a common mistake. Often that means that they are forced to switch to a more robust system later. Most of the seasoned software companies offer an entry level product that allows companies to graduate as they grow. That's a smarter way to go.

**SCARDILLI:** One of the biggest mistakes we've seen comes when companies don't completely evaluate the technology provider they are buying into. It's not just the features you're purchasing when you choose a technology provider. What smaller companies, especially, need to remember is that they are also buying the salesperson who's going to be working with them as they grow; the tech company itself and its business philosophy for support, service, improvements, and security. That salesperson should have a vested interest in the success of the young company and works more as a consultant, to help the smaller companies achieve their desired result. These are critical points to consider that differentiate technology providers beyond the sizzling high impact features. It's critical to find a good partner in the company you choose, not just the solution itself.

### QUESTION

*Amazon has raised the bar on the end-customer's expectations. How does a small, growing company use technology to compete?*

**LUCIANI:** They compete by having a software solution that helps them perform consistently. Delivery performance is a bar that Amazon has set for everyone. If you are going to provide service for ecommerce customers, they are going to want to have a delivery partner that can provide the same delivery standards. With high volumes of deliveries, the only way to have consistent performance is with the help of technology. Could you imagine Amazon trying to route all those deliveries without technology?

**DONALDSON:** Smaller companies that want to compete need to implement a software system that provides an intuitive user experience. Customers expect immediate real-time visibility in an easy-to-access manner. You can thank companies like Amazon for that. Software as a service (SaaS) can be the answer here. Courier companies don't need to own their systems. With SaaS they can get these applications from a third-party provider that hosts the application and gives them access to it over the web. In today's SaaS world, smaller companies can compete and win by leveraging SaaS technology. Right now, a small company can procure a SaaS solution that uses AI to auto dispatch and route optimize for fractions of traditional systems. By contrast, UPS and FedEx have spent millions on their route optimization systems.

**SCARDILLI:** I'm going to go back to product knowledge here. If you fully understand the technology you're using, you will have the know-how to meet customer expectations in more ways than one. And even to exceed their expectations. For example, a carrier may be taking pictures at the delivery point to show that the package was delivered and where it was delivered. But, if they went deeper into the application they might realize that they could also attach those images or BOLs to an invoice. Or make them available online to customers. That's adding a deeper layer of communication to the customer relationship and becoming a valued partner just by knowing what the system can do.

## QUESTION

*For a small company that needs to prioritize their technology spend, what should they do first, second, third and so on?*

**DONALDSON:** Tackle the user first. The better, faster, easier it is to do business with your company, the more business you can attain. Then, look to adding modern data import features, via web, API, mobile application. Real-time task optimization for invoicing, driver settlements, and even dispatching or routing is next. Finally, a company should look at the scalability of their technology providers.

**LUCIANI:** Today, everywhere we turn we are met with some sort of technology, so I am not sure if there is a first, second or third with technology. This is not like 20 years ago where you could open a courier company and use spreadsheets to manage the deliveries until the company got big enough to invest in technology. These days customers expect you to have some sort of technology. Eric mentioned SaaS solutions and I agree. With so many SaaS model solutions out there, it doesn't take much capital. In fact, most of them cost less than \$500 to start giving a company the capability to do order entry, dispatch, invoicing, and offer a mobile solution. It's just not wise to skimp on technology when those options are out there.

**SCARDILLI:** You want to break this down into steps. First, identify the issues. Understand what it's costing your business to deal with these issues. Then, find a solution that solves the problems with a price point that makes sense for you. Identify the recurring issues that continuously waste resources and bring your company further away from your growth goals. Then, get a clear understanding of how these issues are impacting your business. This may go beyond a dollar amount. For example: What is the cost of people handling tasks manually, where technology can step in? Are your current processes preventing you from bringing on new business because everyone is stretched too thin? Are you wasting additional paper in this process? It all adds up. The third step is to evaluate the solutions that are available in the marketplace to address the issues. This will lead to the fourth

step: the price of the solution. The price of the solution goes beyond just what you're paying financially so it's important to evaluate those additional factors when making decisions.

## QUESTION

*What else should a small courier company think about when considering the role of technology in helping their company grow and thrive in today's competitive environment?*

**DONALDSON:** Breadth and depth. Companies can use technology to expand the breadth of their service offerings and expand deeper into the totality of the services they offer. A same-day parcel courier can now easily offer home delivery, while also diving into the line-haul business that supports the distribution portion of the home delivery business. All with the help of technology.

**LUCIANI:** I'd add that they should understand that there are more dispatch software solutions today than there have ever been, so they should make sure to do their due diligence.

**SCARDILLI:** I'd encourage them to look towards their company's growth. It's important that they find a technology provider that they can start with, but more importantly that can scale with them as they go through growth cycles. If they do that, when their business enters a critical growth stage, they can focus on customer needs, exceptions that happen in the delivery process and the needs of their team. Technology can smooth out the chaotic nature of growth.

If you start with technology that has a ceiling in terms of features, functions, support or business philosophy, you'll find yourself needing to migrate to a new platform in the middle of a chaotic growth cycle. So, instead of leveraging technology and focusing on growth, you'll end up concentrating on migrating data, training staff, and adjusting to a new platform. And this will inevitably be happening while your customer demands continue to increase, which in this industry, seems to happen hourly. So why not start with the technology that's flexible enough to adapt to your changing needs right from the start? **CLDA**



# INDUSTRY INVESTORS TALK ABOUT MERGERS, ACQUISITIONS & EMPLOYEE STOCK OWNERSHIP PLANS



As businesses continue to outsource more and more of their supply chains and ecommerce heats up the sector, investors are taking notice. Three industry investors discussed these trends at the Executive Leadership Conference and outlined and what they mean to those ready to sell or move on from their companies.

Moderated by the Summit Chair, Errol Cvern, President of Select Express & Logistics, LLC, these industry investors talked about the climate for merges and acquisitions in the logistics space; the impact of private equity and the role of employee stock ownership plans. The panelists included:

- Phillip DeDominicis, Managing Director – Investment Banking, Menke & Associates, Inc.
- Ray Jeandron, Partner, LonqueVue Capital
- Eric LeMarbre, Managing Director, The Tenney Group

*QUESTION: First, let's get a sense of your area of expertise. What part does your company play in this arena?*

**DeDominicis:** Menke & Associates helps clients structure Employee Stock Owner-

ship Plans (ESOP). We help them with plan design and administration. We also provide investment banking and ERISA counsel services specific to ESOPs.

**Jeandron:** LonqueVue Capital is a private equity firm focused on partnering with entrepreneurs and supporting growth.

**LeMarbre:** The Tenney Group focuses exclusively on the transportation industry, helping business owners buy, sell or value their transportation companies.

*QUESTION: What trends are influencing your area?*

**DeDominicis:** The trends that have an influence on ESOPs include:

- An increasing interest by the US government in employee retirement savings
- A push towards keeping jobs in America
- An interest in helping companies be more productive.
- Attention by owners of privately held businesses (many of whom are age 55+) in diversifying and eventually retiring.

**LeMarbre:** We have seen an increase in the number of large strategic buyers

because the logistics industry has been growing during the last five to 10 years. They are looking for ways to “own” the entire logistics process from the shipping container to the threshold of our homes.

*QUESTION: Talk about the role of a broker.*

**LeMarbre:** For our firm, we prefer the term “advisor” because ultimately, we are after the best interest of our client. If we were merely brokers, we might be incentivized to drive a transaction that might or might not be in the best interest of our clients. Our role is to educate and equip our clients to make the best decision for their companies, their families, their employees, their clients and even their communities. We serve as their advocate to bring them peace of mind from start to finish in a process that is likely the largest financial decision of their lives.

*QUESTION: What are the boxes buyers like you need to check to acquire a company and why?*

**Jeandron:** With any deal we are looking for strong, committed management teams with a diversified business (i.e., no reliance on one top customer); a nice



track record of growth and profitability and a clear value proposition. In the last mile world, regulatory compliance with independent contractors is also important, along with strong safety and IT programs.

*QUESTION: Talk about ESOPs and the role they play when a client is looking for ways to sell their company.*

DeDominicis: Most ESOPs initially do not buy 100 percent of companies. About 20 percent of new ESOPs buy 100 percent of the business where the alternative is selling the company to a financial or strategic buyer. More often, they are used to create some liquidity for a shareholder or help buy out a partner while the company stays independent.

*QUESTION: What factors are driving value in the final mile space?*

Jeandron: As businesses continue to outsource more and more of their supply chains to 3PLs, the transportation and logistics industry has seen long-term growth. More recently, the final mile world has been transformed by the evolution and expansion of e-commerce. Consumers are continuing to expect faster, cheaper deliveries, which will push more freight and put more demand on the final mile lanes.

*QUESTION: Talk about post-transaction and what your role is after it happens.*

Jeandron: Post transaction is all about value creation. We work together with man-

agement to mitigate the risks we found during due diligence; align on a strategy for growth, and then execute. We roll up our sleeves to work in the trenches with management to drive improvement and navigate the opportunities and challenges our businesses will face.

*QUESTION: What should a business look for when choosing a private equity firm? How should they compare them and decide which is the right one for their company?*

Cvern: Here are a few questions I'd suggest: Do their objectives and yours align? Do they understand your business? How well do you get along together? What success rate do they have with their acquisitions?

Jeandron: Spend time with the people. Make sure you respect them, enjoy your time together and share a vision for the future. You'll go through both thick and thin with your private equity partner, so you want to make sure you know and trust the people. Always remember due diligence is a two-way street. Make sure to check references and meet as many people as possible at the PE firm.

LeMarbre: In our opinion, PE groups should be compared alongside strategic buyers and not as a separate group. This allows clients to have the greatest peace of mind. If you review five or six offers from various groups, you will have greater confidence that you have made the best decision.

*QUESTION: Why are firms like yours interested in the final mile sector?*

Jeandron: We know secular trends are behind the space, and we know it's a very tough business to get right. We have been privileged to be partners with companies that have grown nicely and have developed scalable platforms and are positioned to take further advantage of future growth in the industry.

LeMarbre: The transportation industry is an industry that literally drives our economy. As many disrupters have entered, from technology to federal regulation to insurance and lawsuits, operators large and small are trying to scale. Much scaling can only happen through acquisition. So, small to mid-sized companies looking for exit strategies have many paths to consider. It is fun for our firm to advise and advocate on behalf of our clients to find their best possible outcome. Sellers currently seem to have the leverage. Making buyers compete allows sellers to preserve that leverage.

*QUESTION: You mentioned that there is a robust M&A market. You called it a seller's market. What's driving this?*

Jeandron: With low interest rates, significant dry powder at private equity firms, and strong stock prices, there's a lot of capital chasing deals. That means attractive opportunities get plenty of attention from buyers. The industry is in a good place right now to attract investors.



# CLDA's New Purchasing Group Partners Program Saves Members Thousands!



By Andrea Obston  
CLDA Director of Public Relations

**C** LDA members are already saving thousands on everything from cell phone service, to rugged phones, payroll processing and entertainment through the association's new Purchasing Group Partners Program.

The program provides discounts on the products and services that mem-

bers told us they needed the most. And it's growing. In the next few months, the members of the Purchasing Group Partner Committee expect to bring in additional discounts on gas, auto parts, tires, driver safety programs and even office supplies.

"By combining the buying power of our members, we have been able to negotiate substantial discounts on the products and services members told us they want," says committee chair Joel

Pinsky of Global Messenger & Logistics. "We polled members to find out what they wanted, and we've been hammering out agreements with providers ever since. We're negotiating with them to make sure they are offering our members better discounts than they could get through other channels," he says. "The idea is to create a program that delivers so much in value that membership in the organization is essentially free because members save much more than the cost of their membership dues."

“What makes these programs particularly unique is that CLDA members can also offer them to their employees, drivers and their families” says Pinsky. “Companies can use them to save money on business expenses and to act as incentives for the people who make them successful – their employees and their drivers. It’s a win-win for everyone.”

These benefits are included with membership at no cost and are only available to members of the CLDA in good standing.

Among the recent additions to the program are:



This wireless services and internet service provider has 54.5 million customers throughout the United States. Through this program CLDA members will get discounts on cell phone service and hardware.



This company serves the unique needs of our industry with rugged devices that stand up to the demands of last-mile drivers. Their phones can withstand drops, dust, and being submerged in water. With tough screens and long battery lives, these phones will get your drivers through their days. Through this program CAT is offering CLDA members substantial discounts on these phones.



ADP – This provider delivers online payroll and HR solutions, plus tax, compliance, benefit administration and more. They help thousands of clients every day by processing payroll, calculating, depositing and filing payroll tax documents. They will be offering CLDA members discounts on payroll processing and calculating, depositing and filing payroll tax documents.



This insurance program administration specializes in insurance product solutions for the last mile logistics transportation industry. They will offer CLDA members discounts on insurance program administration and insurance products.



TicketsatWork – This company is a leading corporate entertainment benefit provider, offering exclusive discounts, special offers and access to preferred seating and tickets to top attractions, theme parks, shows, sporting events, movie tickets, hotels and much more. TicketsatWork will offer discounts to CLDA members, their families, employees and drivers and their families.

CLDA member Unna Edmonds, General Manager of Am-Tran, was one

of the first to jump on the new program and is already seeing big savings on her company’s wireless bill. “Because of this program, we switched the cell phone service for our employees and drivers to Sprint on October 1,” she says. “We’re already saving on our monthly bill over our previous carrier plus we’re getting unlimited data. That’s a big help. Before the switch we never knew what our monthly bills would look like. With this program, we have a set fee for unlimited data usage. In addition, Sprint provided us with new phones and the ability to limit our drivers’ usage of some of the more distracting apps while they are driving for us.” She also had a lot of praise for Sprint’s personalized service. “We now have two dedicated account reps who are helping us to get the most out of our plans. They are very responsible and helpful,” she said.

CLDA’s Purchasing Group Partners Program is looking for additional vendors to help members save even more money on the products and services they want and need. “If you know of a company or service you’d like us to approach or a service you would like us to provide, we want to hear from you. Also, if your company currently works with a vendor that’s offering you an outstanding deal that others could benefit from, we want to hear from you,” says Pinsky. Get in touch with him at [joel@globalmessenger.com](mailto:joel@globalmessenger.com).

For members who want to know more about the program, email Hana Watkins, [hana@clda.org](mailto:hana@clda.org). [CLDA](#)

Watch this space for updates on the program and profiles of the companies who are offering CLDA members discounted products and services. And let us know about the savings your company is getting with these programs with an email to Joel Pinsky. Stay tuned for much more!

# Purchasing Group Partners Program Profile: Cat Phones

By Robin Hammond, Channel Marketing Manager at  
Bullitt Group/Cat phones

Cat phones are extremely proud to be part of the CLDA Purchasing Group Partners Program and featured in this issue of the *Customize Logistics & Delivery* magazine.

Cat phones are built from the ground up for individuals who work in demanding environments across a range of industries where their mobile phone is routinely exposed to stressful conditions. Our growth within the Delivery and Logistics vertical is moving fast along with the growth and demands of the Industry.

We understand that the delivery journey can be rough; from inclement weather, accidental drops to long hours on the road, the phone must withstand challenging environments and perform for long periods of time. Cat phones offer a range of rugged smartphones including the Cat® S48c, Cat S41 and Cat S31.

Cat rugged phones are built with the same durability you would expect from Cat equipment. They are drop proof, dust proof, waterproof, and can even withstand extreme temperatures. Thanks to its Corning® Gorilla® Glass display, you don't have to worry about a shattered screen or lost productivity from a broken phone. The screen is optimized for outdoor visibility and works with gloves or wet hands. Cat® phones also come with a long-lasting battery that will get you through the demands of the Logistics and Delivery day!

The Logistics and Delivery business can be really rough on a phone. The demands of the day often test mass market phones beyond their limits, leading to damaged hardware. Frequent and costly repairs or replacements mean that customers spend much more money over the lifetime of their device than just the initial purchase price. The Cat phones offer better value for money by reducing these additional costs and extending the useful life of the phone.

Here's what Riccardo Ferree Drago, Owner of Drago Fleet and CLDA member from Denver, CO has to say:

"We have tried many phones for our DSP business and the Cat® phone has been the best rugged device we have used to date! It has also been the best investment we have made in devices for our team. I was tired of buying cases, screen protectors and replacing phones. It's also a relief to know that these devices will support the Amazon applications we rely on to get our job done. I would highly recommend Cat® phones to anyone looking for a rugged device for their delivery business."

Our products are competitively priced, do not require a case and come with a factory installed screen protector. Cat phones also offers a 2- year warranty on the most popular devices used within the logistics space.

Having the peace of mind knowing that not your device is rugged enough as well as built to support a variety of platforms and applications that your business depends on is paramount to your success.

Whether you provide devices for your drivers or you have been looking for an affordable and dependable option, the Cat phone is the choice you have been looking for.

We have put together special discounts off our unlocked phones as well as rebates with participating carriers when you activate new lines of service! Help ensure your Independent Contractors have the right device for your business and share your member ID to extend your CLDA discount!

Visit [catlastmile.com](http://catlastmile.com) to find your device today. If you would like to discuss your needs, please reach out to:  
Bryan Bourff, Vice President of Sales at Bullitt Group/Cat Phones  
Tel: 770.833.7030  
Email: [bbourff@bullitt-group.com](mailto:bbourff@bullitt-group.com)



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- Pettyco Express
- ProCourier
- Priority Courier Experts
- Priority Dispatch
- Priority Express Courier
- QCS Logistics
- Quick Delivery Service
- RDS Delivery Service, Co.
- Rightaway Delivery & Inventory Management
- Select Express & Logistics
- Sonic Courier Inc.
- Spartan Worldwide Logistics

- Street Fleet
- Tempo Transportation LLC
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- Valley Courier
- Washington Express LLC
- Wiregrass Courier
- WPX Delivery Solutions
- Xcel Delivery Service

Interested in contributing to our advocacy efforts?

Contact Dave Jewett at [djewett@clda.org](mailto:djewett@clda.org)

*Less than ¼ of CLDA Members are donating to the Advocacy Fund. However, this advocacy fund sponsors almost 100% of all government affairs activities CLDA undertakes. Most recently, CLDA used advocacy fund donations to draft two amicus briefs – one for the National Labor Relations Board and one for the U.S. Supreme Court. We continue to work on all fronts, including judicial, to defend CLDA members and their right to have independent contractors and to have arbitration agreements in place. Without the advocacy fund, CLDA would not have had a voice and would not have been able to comment on behalf of the entire logistics and delivery industry. Donate now and help us represent YOU on the federal, state and judicial level.*

Thank you!



# Customer Service Tips from Dennis Snow



*formerly with the Walt Disney World Company,  
Featured at CLDA Final Mile Forum in February*



**CLDA**  
Customized Logistics and Delivery Association

**FINAL MILE FORUM & EXPO**  
February 19–21, 2020 Hyatt Regency Miami Miami, FL

*“Delivering World-Class Customer Service: Lessons from The Mouse”* will be the keynote presentation at the CLDA’s second Final Mile Forum & Expo February 19-21, 2020. The three-day expo and educational forum will be held at the Hyatt Regency Miami Sheraton Grande.

Dennis Snow will be the keynote speaker. He spent two decades with the Walt Disney World Company and is now a speaker, trainer, consultant and author who helps organizations achieve goals related to customer service, employee development and leadership. “Customers have more choices than ever, with the result that most products and services are increasingly seen as commodities,” he says. “So, in today’s market, what can an organization do to stand out from the crowd? Differentiating your service is the key to attracting and retaining customers – while driving bottom line results.”



Registration is now open through [clda.org](http://clda.org). A discount rate is available for current CLDA members renewing for 2020. There are opportunities for sponsorship and exhibitors. Discounts are also available to members and those who join the CLDA when they register. For more information, go to [clda.org](http://clda.org).

Based on his 20-years with the Walt Disney World Company along with many years of consulting with organizations around the world, Dennis Snow will provide Final Mile Forum participants with a “how-to” program for creating a service-driven culture. This program will provide strategic tools that conference participants can use to raise the bar of service throughout their organizations.

Those who attend the Final Mile Forum will learn:

- Approaches that help employees move from a task mindset to an experience mindset.
- A process for ensuring that organization’s “backstage” environment never impacts the “onstage” customer experience.
- Four specific strategies for wowing customers every time.

Dennis launched a division of the Disney Institute responsible for consulting with some of the world’s largest companies including ExxonMobil, AT&T, General Motors and Coca Cola. During this time, he presented to audiences in diverse locations around the world, such as South Africa, Australia, Mexico, England and Argentina. This division quickly became the fastest growing venture of the Disney

Institute and experienced repeat business of nearly 100 percent.

He also spent several years with the Disney University, teaching corporate philosophy and business practices to cast members and the leadership team. While there, he coordinated the Disney Traditions program, which is universally recognized as a benchmark in corporate training. In his last year with Walt Disney World, Dennis’ leadership performance was ranked in the top three percent of the company’s leadership team.

The Final Mile Forum’s three-day agenda is designed to give leaders in the time-critical logistics, delivery and express air cargo logistics industries a front row seat on current trends and previews of the future in the supply chain. Along with the educational presentations and exhibits, the Forum will feature opportunities for business development and one-on-one networking. Participants will come away with tips on enhancing company performance with new concepts as well as new contacts with shippers and others in the final mile industry. [CLDA](http://clda.org)

## Team delivers total Digital Transformation Solution Comprised of Hardware, Software and Services.

ShipTrack, one of the fastest growing and most comprehensive delivery management platforms, was chosen, in partnership with Zebra Technologies, to transform the operations of Purolator Courier, Canada's leading integrated freight, package and logistics solutions provider. Purolator has built one of Canada's most extensive transportation and logistics networks and supporting infrastructure.

"Our relationship with Zebra Technologies and ShipTrack fulfills our hardware, software and service needs and ensures we stay ahead of the digital needs of our customers and our industry for years to come," said Ricardo Costa, Chief Information Officer of Purolator. "This is a foundational investment and an important step forward in Purolator's digital evolution that will enable us to put our customers, recipients and employees in the driver's seat with innovation over the long-term."

ShipTrack, a member of Zebra Technologies Independent Software Vendor (ISV) Program, is a cloud-based Software as a Service (SaaS) platform. It has experienced rapid growth in functionality and users ever since it was launched six years ago and has processed tens of millions of deliveries for users in a range of industries such as transportation, manufacturing, distribution, retail and government. Known for its ability to adapt to its customer's workflows, the platform includes portals for administration, dispatchers, shippers and consignees. A mobile app for drivers' mobile devices scans barcodes and wirelessly collects important data such as asset and GPS tracking, delivery signature capture and much more.

Shawn Winter, ShipTrack's CEO said, "We are extremely proud that Purolator, a \$1.6B integrated logistics

firm and one of Canada's largest, has selected our platform. This was a team effort lead by Zebra Technologies. PiiComm, a Zebra Technologies and ShipTrack reseller adds its extensive experience in managing mobile device deployments and MMS mobile technology support services to complete the solution."

PiiComm, a Zebra technologies Premier Solutions Partner since 2009, originally introduced ShipTrack's technology to Purolator. PiiComm was chosen to support Purolator's mobile workforce with mobile device lifecycle management and support services a few years ago and those services will continue with Zebra's solution for the life of the agreement.

Rick Robillard, PiiComm's CEO commented, "It's a real honor to be selected as the MMS provider of lifecycle management services for Purolator's operations. For the last ten years we've had the great fortune to develop long-term relationships with many private and public sector organizations to ensure that mobile device deployments and ongoing operations achieve the outcomes expected. The criticality of mobile devices to Purolator's business operations represents, for me and the team, a particularly strong vote of confidence that we strive to earn every day."

### ■ ABOUT PUROLATOR

Purolator Inc. is a leading integrated freight, package and logistics solutions provider in Canada. Celebrating more than 55 years of delivering its customers promises, Purolator continues to expand its reach and renowned service levels and reliability to more people, more business and more places across the country and around the world. Purolator is proud of its Canadian heritage and is focused on sustainably positioning itself for future growth and success. For more information, visit [www.purolator.com](http://www.purolator.com).

#### ■ ABOUT SHIPTRACK

ShipTrack was conceived and created by a group of technology entrepreneurs in response to demand from companies and governments for real-time package tracking applications to electronically track items in transit in a simple, cost-effective manner. Whether the focus is on tracking the distribution of packages and envelopes by internal mailrooms, the delivery of shipments to the homes of online shoppers (last mile delivery) or the secure movements of controlled substances to pharmacies; above all its the ability to know where an item is and when it is delivered that provides a wide range of real-time advantages for our clients. For more information, visit [www.shiptrackapp.com](http://www.shiptrackapp.com).

#### ■ ABOUT ZEBRA

Zebra (NASDAQ: ZBRA) empowers the front line of business in retail/ecommerce, manufacturing, transportation and logistics, healthcare and other industries to achieve a performance edge. With more than 10,000 partners across 100 countries, we deliver industry-tailored, end-to-end solutions that intelligently connect people, assets and data to help our customers make business-critical decisions. Our market-leading solutions elevate the shopping experience, track and manage inventory as well as improve supply chain efficiency and patient care. Ranked on Forbes' list of America's Best Employers for the last four years, Zebra helps our customers capture their edge. For more information, visit [www.zebra.com](http://www.zebra.com) or sign up for our news alerts. Follow us on LinkedIn, Twitter and Facebook.

#### ■ ABOUT PIICOMM

Founded in 2007, PiiComm is a Managed Mobility Services (MMS) provider that specializes in providing asset management solutions for business and public sector customers in Transportation & Logistics, Healthcare, Government and other vertical markets. PiiComm's ITMS (IT Managed Services) portfolio includes Mobile Lifecycle Management which currently tracks and manages tens of thousands of mobile devices for customers across Canada, the largest service of its kind in the country. For more information, visit [www.piiComm.com](http://www.piiComm.com).

## B2B Digital Marketing Strategy

The New York State Messenger and Courier Association held a business meeting and workshop on Wednesday, September 18, 2019. The guest speaker, CEO & Founder of Ajax Union B2B Digital Marketing Agency, Joe Apflebaum, engaged members in an interactive conversation in which they participated and responded positively. Mr. Apflebaum is an entrepreneur who dedicates himself to helping companies meet their upmost potential using his team of experts in SEM, SEO, Social Media, Email Marketing, Conversion Optimization, as well as Marketing Automation, Business Blogging and many other technologies that help companies grow and reach their goals.

Nicholas Spano from Empire Strategic Planning, the Association's lobbying firm, attended the business meeting. He presented a very frank and candid



analysis of the current structural makeup of the New York State legislature. His report detailed NYSMCA's efforts in urging other business organization to support a veto of New York State S.2844b/A.486. This bill proposes to allow for the creation of an "employee lien" for the purpose of securing payment for alleged violations of state labor law.

Mr. Spano also outlined what has been the slow process in the implementation of Congestion pricing for New York City as the process is still in the early stages of evaluation. The Association will be meeting in the near future with the Chairs of the Assembly and Senate Labor Committees to continue to present our agenda on this topic.

In anticipation of another successful year, be on the lookout for the date and location for the NYSMCA Annual Holiday Party in December!

## SCI WELCOMES INDUSTRY VETERAN TO ADVISORY BOARD

Subcontracting Concepts, LLC is very pleased to announce and welcome Chris MacKrell as a new member to the SCI Advisory Board. SCI's newly formed Advisory Board has been created to provide strategic guidance and technical advice -- ensuring SCI remains the leading third-party administrator as the last-mile supply chain is shaped by new forces.

Chris brings a wealth of knowledge in last-mile logistics to SCI. He will be instrumental in continuing SCI's market-leading position as the preeminent third-party administrator for logistics brokers and owner operators in the last mile marketplace.

Chris is the co-founder of Custom Courier Solutions and served in various national sales and Senior Operations roles as the Manager of Business Development at CD&L and Regional Vice President - East Sales and Operations at AirNet, a \$150M Air freight carrier.

Like SCI, Chris believes strongly in advocating for this industry. In 2013, he testified before a Senate Subcommittee on Employment and Workforce Safety on the key role Owner Operators play in the US economy. He served as the President of the CLDA - Customized Logistics and Delivery Association, formerly the MCAA, and the NYSMCA - New York State Messenger and Courier Association. Prior to his term as President, Chris served as a Chairman of both the CLDA & NYSMCA Government Affairs committee. The NYSMCA is the key trade association advocating for the industry in New York State. He is a recipient of the Industry's Distinguished Service award in 2009 and an inductee into the CLDA Hall of Fame in 2016. The CLDA is the nation's largest logistics industry trade association. Chris has a B.S. degree in Business from SUNY Brockport. He currently resides in Saratoga Springs, New York.

"I am thrilled to be part of the SCI team. I have had nothing but great experiences working with SCI as both a client and member of CLDA and I am looking forward to contributing my industry expertise to SCI's already market-leading technical innovation."

Peter Fidopiastis, President and General Counsel, states "We are very excited to welcome Chris to our advisory board at SCI. His track record in this industry is unparalleled, and his vast experience is something of great value to SCI and the future of our business. Mr. Fidopiastis added: "Chris brings a unique perspective in the industry that SCI has never had before."

### ABOUT SCI

Subcontracting Concepts, LLC (SCI) is the premier Third-Party Administrator (3PA) servicing the logistics industry. SCI provides its customers with competitive insurance programs, settlement Processing, and personalized customer Service for logistics brokers. Building software and services that can keep up with the demand of the logistics industry has always been our focus. Furthermore, everyone at SCI is dedicated to knowing more about our customers' needs and adapting to meet them. The SCI team is continually collaborating on new and exciting ways to streamline owner operator enrollment, document management, and verification. SCI combines technology, personal customer service, and years of knowledge and experience to create a one stop shop to ease the burden of owner operator management. For more information visit [www.sciadmin.com](http://www.sciadmin.com)



# Important DATES

## **Air Cargo World**

January 26 – 28, 2020 / Nashville, TN

## **SMC3 Jump Start**

January 27th – 29th, 2020 / Atlanta, GA

## **Florida Messenger Association**

February 7th – 8th, 2020 / Orlando, FL

## **Final Mile Forum & Expo**

February 19th – 21st, 2020 / Miami, FL

## **Home Delivery Europe**

March 18th – 20th, 2020 / Amsterdam

## **ECA MarketPlace**

April 26th – 28th, 2020 / Dallas, TX

## **Home Delivery World**

June 1st – 4th, 2020 / Philadelphia, PA



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# BURN RUBBER IN THE FINAL MILE



**The eTrac Final Mile Gateway is simple and it works.** Connecting final mile service providers like you to 3PLs, LTLs and shippers, across the nation through a single point of integration is the heart of the eTrac solution. Whether you're running a proprietary system, an industry-specific operational system or have no system, Datatrac can connect you to the network, allowing shippers to find you and allowing your business opportunities to grow.

#### **The benefits of eTrac:**

- It's free to carriers
- It's easy to integrate
- It expands your visibility to shippers, and allows for cooperation and coordination with other eTrac partners, expanding your business footprint and capabilities
- You remain the point of contract with the shipper/client so you retain control of rates, service areas and services offered

**It seems too good to be true,** but by expanding our carrier network, **eTrac** attracts more LTLs, 3PLs and shippers hungry to handle final mile deliveries with real time visibility. Those partners increase your opportunities, and right now with over 10,000,000 transactions per month the network is attracting more members every day.

**Learn more about how our final mile network can work for you.**  
[www.etrac.net/carrier-partner-program](http://www.etrac.net/carrier-partner-program) or call us at 833.463.8722



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