


# Customized Logistics & Delivery MAGAZINE

A large, stylized keyhole graphic is centered on the page. The keyhole's shaft is a black circle containing the main title text. The keyhole's handle is a white, rounded shape that frames the text. The background of the entire cover is a photograph of a conference, with two men in the foreground looking at a laptop and a large audience seated at tables in the background.

Unlocking  
the Secrets  
of the  
Last Mile

*A Look  
at the  
2019  
Final Mile  
Forum  
& Expo.*



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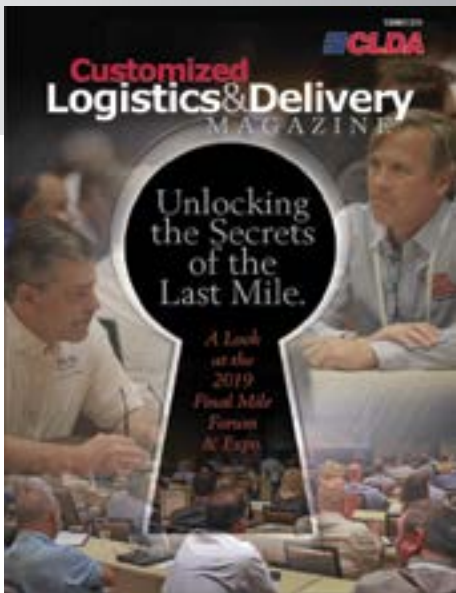
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# President's Message

This issue of the Customized Logistics & Delivery Magazine is all about sharing some of the secrets of the final mile that those who were part of our Final Mile Forum & Expo shared. This first-ever Final Mile Forum attracted over 400 logistics and delivery providers, including 139 first timers and more than two dozen shippers. If you missed it, you missed a lot, but you'll find some of the information from the sessions in these pages.

The good news is that you won't have to wait 12 months for the next one because we've moved the Final Mile Forum to February. Mark your calendars now for the 2020 Final Mile Forum & Expo on February 19-21 at the Hyatt Regency Miami.

This issue of the Customized Logistics & Delivery magazine includes features about the 2019 Final Mile Forum, the association and Member News. Take a look at the future of our industry with the overview of the Fireside Chat with industry insider Dr. James A. Tompkins and industry disruptor Vijaya Rao on page 16. Learn about the challenges and rewards of adding cross-border deliveries to your company's offerings on page 30. Get a look at the labor and legal challenges facing our industry in the article on page 20.

You won't want to miss the profile of the 2019 CLDA Hall of Fame recipient Rick Chase, a man who has spent a lifetime fighting for our industry. Rick is a man whose career spans the development of our industry and our association. He is a man who has dedicated his life to fighting for all of it. Learn about his 35+ year career that's gone from LTL trucking to air cargo to the customized logistics and delivery industry we have today. You'll find that article on page 12.

Lastly, I invite you to join me, company executives and the up-and-coming leaders of our industry at the CLDA Executive Leadership Summit in September. You'll want to be part of this hands-on working conference to sharpen your skills; gain practical knowledge and be ready for the new workforce. It will be held on Wednesday, September 25 and Thursday, September 26 at the Evergreen Marriott Conference Resort in Atlanta, GA.

Please look for me at the Executive Leadership Conference or contact me with your thoughts, questions and ideas by emailing me at [President@clda.com](mailto:President@clda.com).

Working together for the enrichment of all,  
*Chuck Moyer*  
*CLDA President*



# Government Affairs

It was wonderful to see all of the over 400 attendees at the Final Mile Forum & Expo in Phoenix this spring. We hope that everyone in attendance enjoyed the most-ever sessions that related to government affairs and advocacy. As a result of the agency trying to build more good with industry and from the CLDA lobbying efforts, it was a pleasure to welcome Dean Heyl of the Department of Labor (DOL) to the event. With the new forwarder members in the CLDA, it was an opportunity to showcase some of these new members on international deliveries and logistics as well as focus on the broader government affairs issues of importance within the Department of Homeland Security (DHS) and the Transportation Security Agency (TSA).

The CLDA with the welcoming of the forwarder members have expanded the Government Affairs Committee structure. Still comprised with the Steering Committee, there is now a Legislative Subcommittee and an Agency/Regulatory Subcommittee. This new structure enables CLDA to give closer focus to these advocacy areas as well as bring in new volunteers from the industry to participate in the association. As the CLDA becomes increasingly engaged with the regulatory agencies, look for additional informative alerts especially as it relates to the Custom and Border Patrol (CBP) as well as the TSA. If you are an Indirect Air Carrier (IAC), contact

shawn@clda.org so that the association can develop an accurate distribution list for related information.

Historical CLDA legislative priorities on Capitol Hill continue to be moving forward in the Ways & Means Committee in the House, while discussions simultaneously progress in the Senate Finance Committee with leadership. With that said, small business tax issues along with comprehensive infrastructure plans are still proceeding through as CLDA works with coalitions such as the Coalition for a Democratic Workplace (CDW) and others to improve the efficiencies in the logistics industry. Coalition efforts continue all the way to California on legislative answers to the Dynamex Decision. The efforts on this front continue to evolve as this issue goes to print, but look for updates in the CLDA Express with work on the Cal Chamber Group.

The association thanks Advocacy Fund donors for their commitment, money and time on advancing issues that protect the final mile and first mile delivery industry. To all of the new members from shippers, to forwarders and traditional couriers we need your support and donations to the Advocacy Fund so that the CLDA is able to continue our advocacy and lobbying efforts in Washington, D.C. and the 50 states! Go online or contact Dave at [djewett@clda.org](mailto:djewett@clda.org) to donate or if you have any questions at all. **CLDA**



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**If you have any questions on the  
CLDA Government Affairs activities  
or would like to become more  
involved, please contact Evan  
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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!





By Andrea Obston  
CLDA Director of Public Relations

# Final Mile Forum & Expo EXCEEDS EXPECTATIONS

*“Killing it with new connections at the CLDA”*

– Guadalupe Morales, Chief Operating Officer for Pearl Transportation & Logistics on the conference app.

*“Wonderful conference! Great to be with my ‘extended family’ and meet several new members/attendees... educational, informative in an improved format...and fun too!”*

– Rob Golin, President, Business-Builders, LLC

*“Business brings us. Friends bring us back”*

– Bill Roberson, President, Chase Couriers & Logistics.

The first Final Mile Forum & Expo is in the books and the reports are in! The CLDA's expanded May meeting format was a success. Over 400 logistics and delivery providers joined with more than two dozen shippers and browsed through an extensive exhibit hall to do business, reconnect with customers and reunite with fellow industry members. The meeting's site, the Sheraton Grande at Wild Horse Pass in Phoenix, AZ provided a strikingly beautiful backdrop for the conference with spectacular vistas, a deep connection to the location's Native American roots and dramatic sunsets.

The Final Mile Forum & Expo format was an expansion of the CLDA's former Annual Meeting. The meeting was redesigned to provide an expanded showcase for the latest trends impacting supply chain leaders in the final-mile and logistics spaces. It featured multiple tracks for managers, HR professionals, shippers and those involved in business development. The new meeting format also reflected an expanded emphasis on the needs of shippers in the last mile space. In addition, it addressed the needs of the CLDA's newest members, the air cargo shipping professionals of the association formerly known as the Express Delivery and Logistics Association (XLA). The XLA recently became a part of the CLDA, offering the opportunity for the nation's biggest shippers in the air cargo sector to work with the members of the final mile industry that deliver for them.

The 400+ attendees crammed their days getting the inside scoop on current trends shaping the industry and previewing previews of new opportunities that lie just over the horizon. They made new business connections and learned about the impact CLDA has made on the legislative agendas in state houses and Washington DC.

# “How could that much fun have been considered work?”

Some of the high points of the conference came at the two Shipper Round Tables where participants met one-on-one with shippers like Cardinal Health who were anxious to do business with them. Chris Sirois, the company's Senior Consultant for Transportation put it this way: “We're here looking for the right carriers.”

Even the pre-conference Shipper Round Tables was buzzing with participants making connections to a dozen shippers including Cardinal Health, American Red Cross, Complex Delivery Solutions, Far Corner Logistics, Paychex, MNX, ScriptDrop, Saia Motor Freight, JB Hunt, Ingram Micro, Estes Forwarding Worldwide, and Dickerson Transportation Solutions. Marcos Sanchez was enthusiastic about the pre-conference Shipper Round Tables. He started his own company, Rolo Transport, LLC, in October 2018. It was the first time he'd attended the May event on behalf of his own company. “This was a great casual opportunity to meet with shippers to begin to develop relationships. It's a good first step to kick off the conference,” he said.

Word of the opportunities from the first Shipper Round Tables reached the rest of the conference. By the end of day one, the second Shipper Round Table was filled to capacity. Participants discussed shipper needs with over two dozen shippers, exchanged cards and learned directly from the shippers about their needs. “I liked the Shipper Round tables a lot,” said Kevin Deem of Wiregrass Courier. “I made good connections and enjoyed talking to peers and getting different perspectives. This is a win-win for the folks

## Topics covered at the Final Mile Forum included:

### Thursday, May 9

- Labor and legal challenges
- Driver safety and certification in medical deliveries
- Doing business across borders
- Transparent technology
- New Department of Labor changes presented by the Department of Labor.

### Friday, May 10

- State of the Final Mile, a fireside chat with Jim Tompkins, Tompkins International and Vijaya Rao, DeliveryCircle
- Warehousing and real estate in the final mile
- Logistics schools and their role in the supply chain with Arizona State University
- Cargo security from Scopelitis
- The challenges faced by those in family business.

who need things delivered and the people like me who want to deliver for them!”

Along with the educational presentations and exhibits, the conference featured opportunities for business development, individual and group meetings with shippers looking for carriers and one-on-one networking.

Exhibitor Robin Hammond summed up the conference this way: “How could that much fun have been considered work? Thanks for a fantastic week and first conference for Bullitt/Cat Phones!”

Planning is already underway for next year's Final Mile Forum & Expo. The 2020 meeting will move to a time slot earlier in the year. It will be held on February 19-21, 2020 at the Hyatt Regency Miami. Have a topic you'd like to learn more about? Or an issue that's been bugging you? How about an idea for a presentation or a suggestion for a presenter? The CLDA wants to hear from you. Email your suggestions to [info@clda.org](mailto:info@clda.org). **CLDA**





# CLDA 2019 Final Mile Forum & Expo Phoenix, AZ

Want to see more photos of the Final Mile Forum?  
Go to: <https://theclda.zenfolio.com/p1052960903>







**See You in Miami  
in 2020.**



# HALL OF FAME HONOREE RICK CHASE

*“A Fighter for the Industry”*

**R**ick Chase has spent a lifetime fighting for our industry. In May, the man who has been a moving force encouraging the association to raise its voice on Capitol Hill, was honored for that passion. He was inducted into the CLDA Hall of Fame at the 2019 Final Mile Forum. The CLDA Hall of Fame pays tribute to members who have made noteworthy contributions to the industry.

Chase, the Chief Administrative Officer of OnTrac, has been an important booster for the association’s involvement in government affairs and has spent his career moving it forward. He chaired the Government Affairs Committee for many years, continues today as its Vice Chair and served as a member of the CLDA and MCAA boards for 18 years.

Chase was surprised by the honor at the CLDA’s 2019 Final Mile Forum in Phoenix, AZ. “They did a great job keeping it a secret,” he said. “I was completely unaware until I saw wife, daughter, son-in-law and two of my six grandchildren standing at the back of the meeting room. All I could say was ‘Wow!’”

*By Andrea Obston*

*CLDA Director of Public Relations*

For Gil Carpel, the association’s long-time Hall of Fame presenter, the moment was bittersweet. It was the last time he would fill that role. “I am honored to do this for one last time and to present the award to an old friend and fellow former board member,” he said.

In his introduction to Chase Carpel said, “Rick is the bridge between two eras in our industry. He is one of the first of a new generation of the industry’s leaders who is representative of both the old same day courier business and the new techno-world of last mile delivery.”

Carpel recognized Chase’s years of board service and his role as a crucial part of the association’s Government Affairs efforts. “Rick was crucial in the founding of our association’s advocacy fund, spearheading our efforts to establish the advocacy fund that has been so instrumental in enabling us to influence government on issues pertaining to our industry,” said Carpel. “I first met Rick Chase at a special meeting of the association held in NY back in 1998 to discuss legislative concerns attacking the independent contrac-





who were speaking up for their members' on legislative issues. I was the guy who stood up and said 'Why can't we do that? If we don't start fundraising and start promoting our efforts at the legislative level now, we're never going to get there.' Following that meeting I was named to chair the association's first IC Committee which eventually became part of what is now Government Affairs." Chase led that committee for several years and still serves as Vice Chair. "I continue to have a passion for our government affairs efforts and remain active on the Government Affairs Steering committee," he said.

### A Career That Mirrors Industry Transformation

Chase's career reflects the changes that the industry has undergone over the last four decades. His professional life is a map of the industry as it's matured. "I've gone from LTL trucking to air cargo to the customized logistics and delivery system we have today," he says. "I've seen a big swath of the logistics sector. When I came to work for my current company, we were at \$12 million and this year it's in excess of \$500 million. Of the top 50 companies that were around when I started in transportation only about five are still in business today. I've come through deregulation. And, as recently as 10 years ago, our company didn't even want residential business. We didn't believe there was enough concentration to be profitable in that vertical. Today, 75 percent of what we do is ecommerce. It's changed the landscape considerably."

Chase entered the logistics business 38 years ago as a sales rep for Ryder Truck lines. He then went to CF Airfreight as its first employee in South Carolina. "I opened the South Carolina terminal and served as its manager," he recalls. "I did that for three years and was then promoted to terminal manager for Ohio which was a significantly larger market."

tor business model used by most courier companies. Rick Chase was the first to stand up and commit time and money toward our effort to defend the independent contractor business model. And it was Rick's motivation that compelled the association forward to begin the Advocacy fund that still today finances the association's government affairs efforts. Rick was one of the first to understand that what government could do to your business was often more important than what you could do for your business, no matter how hard or how smart you worked. He understood that, as far as dealing with government was concerned, if you weren't at the table, you were on the menu. With Rick's encouragement we made a decision to lobby the government on our industry's behalf. Rick's enthusiasm for the effort was contagious and brought everyone on board. Rick is the kind of person who fights for what he believes in and doesn't give up."

Chase also remembers that day in NY when he first stepped into the legislative fight for the industry: "We were having a meeting in New York. We talked about other industries

*"Rick is the bridge between two eras in our industry"*





Chase later moved up to division manager in the company's regional office in St. Louis, overseeing sales and operations for a seven-state area. When CF bought Emery Worldwide it was renamed Emery Worldwide, a CF company and he found himself part of a bigger organization. In 1993 Chase was recruited to the West Coast by Roadway and moved to Los Angeles to take charge of their sales west of the Mississippi River. He was on the front lines of change when the company started an airline, Roadway Global Air. Chase's job was Director of Sales for the Western US, Mexico and Canada. He later joined Express Messenger Systems which was rebranded as OnTrac in 2008. He's been with the company for 25 years, starting as Director of Sales and Customer Service, and was later promoted to VP of Business Development. And he is now the company's Chief Administrative Officer. The company provides traditional, routed and on-demand courier services. They also offer an international mail program and OnTrac has an overnight delivery network that's focused on ecommerce. Their Smart Mail direct post product picks up and consolidates goods from shippers and delivers them to the US Postal System for final delivery to customers.

### Connecting Through CLDA

Chase attended his first association meeting 24 years ago representing Express Messenger as a member company. He had no idea that during the next two-plus decades he'd move from

member to board member to an initiator of the organization's legislative efforts to multiple committee chairmanships.

Chase enthusiastically recommends active CLDA involvement for anyone who wants to succeed in the logistics industry. "You have to be more than just a passive member," he says. "If you put in the time to volunteer for a committee and force yourself to mix with other people; to attend the conventions and to avoid being a wallflower, this association will be a tremendous benefit to you," he says. "But you've got to put yourself out there at the meetings. Shake a few hands and ask questions. Asking questions is a great way to meet people and find points of common interest. Take advantage of the receptions and breaks to introduce yourself and get others in the industry to talk about themselves. Find people you can compare notes with. Look for the things that they know that can help your business. If you do that for a couple years, you'll get to know people in the industry and get more out of your membership. You'll not only connect with shippers and other couriers that need your services; you'll find ways to drop a few dollars from your operating costs just by picking their brains. It's not just networking for business. Learning how other people do things and how much things cost can be more valuable to your bottom line than revenue opportunities."

He summarizes what CLDA has meant to him over the years this way: "This is a big sharing network with over 400 member companies. It's allowed me to develop a network of contacts in the industry and to cultivate relationships with business leaders with common interest. It makes it easy to pick up the phone to talk to them about common problems. I've benefited personally and professionally from each of the organization's pillars: education, advocacy and networking. Thanks to my CLDA experiences I have friends in the industry all across the country."

*And the passion  
to keep fighting!*

CLDA

By Andrea Obston  
CLDA Director of Public Relations

# CONFERENCE FIRST-TIMERS JUMP IN WITH BOTH FEET



For any first-timer at an industry conference, the experience can be intimidating. But that didn't seem to be a problem for the 139 first-timers at the Final Mile Forum. "Y'all were extremely welcoming and helpful," said First-Timer Marco Sanchez, who recently started his own company, Rolo Transport. "This is a very warm and hospitable crowd," added Eric LeMarbre, Managing Director of the Tenney Group. His company participates in 20 events in the logistics space throughout the year, so he knows a thing or two about jumping into a crowd of new people. "It was a great event. I felt that the organizers were accessible; built a great agenda of topics and were committed to ensuring that people were able to maximize face to face time for networking and business development," he said.

Chris Mahlberg from Swan Insurance agreed: "I was happy to meet all the people at the meeting. Everybody was open to meeting new people. Sometimes you go to an event like this and people brush you off if you're the new person. That didn't happen here. The people were nice about being open and welcoming."

Those in our industry came to the conference for a variety of reasons. Sanchez came, "To develop relationships and knowledge and it was Mission Accomplished," he said. For LeMarbre, whose company is involved in buying and selling transportation companies, his purpose was to meet with potential buyers. "The networking and 'open space' allowed me to have meetings face-to-face that would have otherwise been by phone," he said.

Mahlberg had two purposes in coming that he felt were accomplished: "I really wanted to learn a lot about the industry. I've been working in it for many years, but I really know the insurance side. I wanted to know what was going on in the lives of my clients in this sector. I also wanted to meet people so I could generate business relationships. The forum did both of these."

What were the key benefits of attending the conference for these three first-timers? All agreed they'd walked away with new relationships. "I found a number of opportunities through the networking sessions that are already bearing fruit," said Sanchez, who advises any future first-timers to "Bring a notepad and be ready to

gather information pertaining to your business. It's there in volumes at your disposal." LeMarbre agreed that the relationships were one of the best take-aways from the conference: "I now have several new relationships with potential buyers and sellers of transportation companies," he said.

Mahlberg was particularly pleased with the content of the conference. "I liked the talk by Marron Law about what business can do to make sure they don't get misclassified. That is something I'm often called up to give advice. It's a big issue. Now I know a good lawyer if I need to refer. I also liked the Business Across Borders session and the Fireside Chat. I thought it was really forward thinking. That session was about things we have to get ahead of. In general, I thought most of speakers were entertaining and a little bit controversial. The content was really helpful."

*And what about next year? Will these three first-timers be back?* We got a resounding yes from all three of them. Mahlberg summed it up this way. "I'm 100 percent in for next year!" **CLDA**



By Andrea Obston  
CLDA Director of Public Relations

# get Ready for Change

## A Fireside Chat with Two Industry Thought Leaders

*It was a look down the road.  
A peak at the future.  
A foundation for company  
plans. It was the Fireside Chat  
with two of the industry's  
cutting-edge leaders. And they  
certainly gave their audience  
food for thought to kickstart  
their plans for 2020.*

Day #2 of the Final Mile Forum began with a jolt – a look to our industry's future in a Fireside Chat with Dr. James A. Tompkins and Vijaya Rao. This thought-provoking discussion was moderated by Mark Cossack, President of Priority Courier Experts and a CLDA Board Member.

Tompkins, the CEO of Tompkins International and MonarchFx, is an international authority on supply chain strategy and operations with more than 40 years of experience. His company provides supply chain consulting and implementation that helps maximize supply chain performance and value creation. They have worked in more than 30 countries on six continents for over 40 years.

Rao is the founder and CEO of DeliveryCircle. This former Google executive founded the company in 2014. DeliveryCircle provides courier management software solutions and same-day delivery services supported by a delivery app. It provides users with the flexibility to manage same-day deliveries ranging from on-demand medical deliveries to sweep-based scheduled daily point to multi-point deliveries.





## Cossack

*When we talk about big influencers in the industry, we clearly need to discuss Amazon.*

## Tompkins

I've spoken at a number of this association's conferences and, as I remember it, quite a few years ago I forecasted Amazon would have the capability for one-day delivery by 2020. Well, it turns out that they out-did my prediction and it's happening now. The big lesson here is that one-day is not about transportation. It's about inventory deployment. The most important element is inventory, then logistics. It's a balance between getting the inventory close to the customer without building up huge stock in a warehouse. The one-day thing is a big deal. Those of you in this room who know how to manage inventory are in a great position to capture the market lift from one-day delivery. For those of you who aren't, I strongly suggest you start now to be ready for a year from now when this wave really hits the shore.

I also suggest you keep your eyes on Amazon's new freight brokerage services. This came about much like their Amazon Web Service (AWS). What they needed from the marketplace they couldn't get, so they developed their own expertise and now they are hauling in huge revenue from it that. Along with AWS it is basically subsidizing the retail service. This will be tremendously disruptive and will change the game.

## Cossack

*While we're talking about game changers, we need to discuss the gig economy. Vijaya, talk about the impact of those changes.*

## Rao

There's a lot of buzz around this in logistics about the gig economy. But I came from the tech space where it's been in existence for many years. Long ago tech decided they could bring on people when they needed them and terminate them when the job was over. That gave birth to a workforce that liked the idea of working when they wanted to and setting their own workloads. This is how the gig economy was born.

In the logistics space, understanding the ins and outs of this gig economy will become more and more important. You're going to find that the only way to compete with players like Amazon is by being able to tap into a massive workforce when you need it. That's how why we created DeliveryCircle. We started in this space in 2014. We learned the industry as we got into it. So instead of adjusting an older workforce model, we started from scratch.

My idea was this: let's tap the massive workforce that wants to work when they want to. Let's weaponize them with the technology to do that. In our model the driver is just as important as the carrier. We took our cue from the Amazon model which has always been consumer focused. Amazon essentially said, "Let me decide what the consumer wants, and I will deliver it." Following that model, we developed ways to balance the needs of the consumer and the needs of the business. And we use technology to do it.

Technology is the reason we are jumping into strangers' cars when we use Uber. We trust those strangers because technology allows us to know about them before we get into their cars. The technology gives flexibility to everyone. It allows the people doing their job to do well and the people who are hiring them to do well, too.



## Cossack

*What are the implications of this for our current driver models?*

## Rao

When I got into this business, I was looking at carriers in a different way. You can never compete using a fixed price model with one that uses a variable price one. You must adapt the model to today's marketplace.

We work with shippers who say, "I don't want to take on logistics. Just make it happen for us." That's how we started. From the other end, we saw carriers who didn't know how to manage a driver workforce. We offer our technology platform to shippers who want to do logistics on their own. And they are going to drive the cost down. Any shipper can do this. And it allows them to offer things like same-day delivery. In our model we have tapped the drivers through the technology platform to accomplish same-day delivery. Carriers are doing this same thing with our platform.

## Cossack

*Talk about recruitment in the gig economy.*

## Rao

A study by Intuit predicted that by 2020, 40 percent of American workers will be independent contractors. Seniors, caregivers and students will be the prime beneficiaries of flexible gig work opportunities and they will propel the growth of this sector.

There are different reasons that someone's working in the gig economy. They fall into different categories based on motivation. According to a McKinsey study, there are four "buckets" that gig workers fall into:

- Free agents – This group makes up 30 percent of gig workers. They actively choose gig work and derive their primary income from it.
- Casual earners – Approximately 40 percent of gig workers fall here. They use gig work for supplemental income and do so by choice.
- Reluctants – These people make up 14 percent of the gig workforce. They make their primary living from gig work but would prefer to be in traditional jobs.
- Financially strapped – They account for 16 percent. These are people who do supplemental gig work out of necessity.

If you profile an independent contractor, you will know what bucket they are in and you can match them with the right customer. For example, you might put a Reluctant on a small customer's account. Every carrier should do this with every driver.

## Tompkins

The gig economy is going to have additional competition. Traditional companies are looking at ways to provide flexibility, so they don't lose good workers. It used to be that traditional companies would say, "If you can't put in at least 30 hours a week, we don't want you." They are beginning to realize that they were firing their best workers because of these drivers needed flexibly. Essentially, the gig economy gives those workers alternatives that fit their needs for flexible work schedules. We want those workers in our industry.

## Rao

These days, almost anyone can be a driver overnight. So, for companies like yours, that's a huge advantage because you can tap into that workforce.

## Cossack

*What about certifications? Are you able to get those done in a crowd-source model?*

## Rao

It's a challenge but we have overcome this. We have processes to keep track of those who have had the OSHA and the pathogen training. We have their certifications on file on the platform so we can match those drivers to the clients who need them to have those certifications.

## Cossack

*There's a lot of disruption in our industry. What can we do to take advantage of it?*

## Tompkins

You can and should take advantage of all the disruptions. Instead of fighting disruption, embrace it. You are going to have uncertainty in your business. UPS is spending an additional \$2 billion to prepare for the next holiday season and that's because last year's holiday plans didn't work for them. If they can admit they have a lot of change to adapt to, you can too. Running your company the way you did three years ago no longer works. Requirements are changing by the hour. That's today's reality. You need to change your thinking from optimality to optionality. Solutions in staff, assets and business procedures must be flexible and agile. It's not enough to write up a plan for the week. You need to develop options. The real option is to be able to switch between options. You need to develop different ways of thinking about how to make your business work. Disruption is everywhere. It is changing your entire way of thinking about business. If you develop plans that lack flexibility you will continue to be behind the eight ball. Become anti-brittle. You need a business model that's going to bounce; one that will allow you to deal with changes that happen by the hour.

## Cossack

*You have to be prepared to anticipate these developments.*

## Rao

Realize that the gig economy we just discussed has allowed more companies to enter into this space. I agree with Jim about volatility. If you continue to play catchup with Amazon, you will always be behind. There has to be more test-driven solutions ahead of Amazon to help others in this space. The playing field isn't level because we are constantly chasing Amazon.

## Cossack

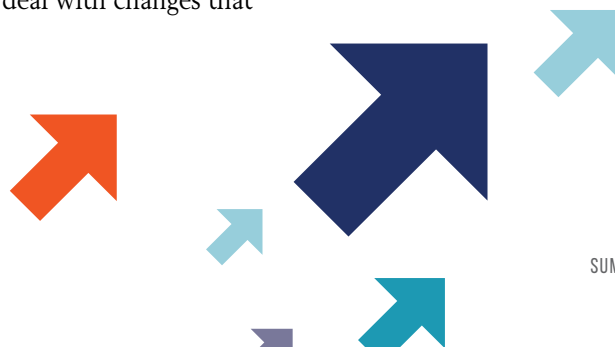
*It's about thinking differently than you have. There are 10 things you do each day, but there's probably only two of them that are critical to optimize.*

## Tompkins


Jeff Bezos likes to say, "It's always Day #1." What he means is that we have to learn to fail quickly and learn from those failures just as quickly. Mistakes are opportunities to learn. You need to make mistakes. When you do, you get smarter. We used to talk about in-store sales and online sales and buying from stores. That's no longer the discussion you need to have. You need to ask, "Where does the consumer want to shop?" And the answer is that they want to shop everywhere and always. Everyone is going to sell direct-to-consumer. For example, Heinz will sell direct-to-consumer. We need the capability to fulfill the requirements everywhere.

## Cossack

Folks think we should optimize around the carrier. That's not it. Is the carrier critical success factor? No. It's the driver. If they don't move and thrive, your company doesn't move and survive. **CLDA**







By Paul B. Arenas, Esq., Senior Attorney &  
Paul Marron, Founder and Principal, Marron Lawyers

# Independent Contractor Status Under Attack

Much of the nation is in the midst of a battle to reclassify the independent contractor workforce. California is largely recognized as ground zero in that battle. For 30 years, California has followed the Borello standard for determining if a worker is an independent contractor or an employee. This standard follows a multi-factor test allowing greater flexibility in determining whether a worker is in fact an independent contractor.

In April of 2018, the California Supreme Court decided in *Dynamex Operations West, Inc. v. Superior Court*, 4 Cal.5th 903 (2018) to upend the previous Borello standard, and create a new, stricter standard in determining independent contractor status. This new standard applies a standard created by statute in Massachusetts and involves a three-part ABC Test. This standard makes it much easier to do what that workers are employees as opposed to independent contractors. Although this new standard is supposed to apply only to Labor Commissioner Wage Orders and this limitation has been upheld in cases following *Dynamex*, the California Labor Commissioners hearing the cases has issued an opinion letter that they intend to apply the ABC Test to labor code provisions which serve to enforce Wage Orders which encompasses nearly all claims proceeding before them. In Labor Commissioner hearings post-*Dynamex*, Deputy Labor Commissioners are expressing to parties that they intend to apply the ABC Test to all claims regardless of the Wage Order limitation expressed by the Courts.

This new ABC Test presumes all hired workers are employees unless the hiring entity can prove otherwise. The hiring entity must show that the worker is (A) free from control and direction of the hiring entity; (B) worker performs work outside the usual course of the hiring entities' business; and (C) worker is customarily engaged an independently established trade, occupation or business of the same nature as the work performed for the hiring entity.

The most difficult part of the ABC test for businesses to overcome, is Part B. Part B requires that the worker perform work which is outside the usual course of the hiring entities' business. In other words, the worker's job must be independent, separate, and distinct from the hiring entity's business. The examples cited in Dynamex are if a company hires a plumber or an electrician, these persons would be considered an independent contractor. In this context, distinct means routinely hired by multiple companies, not a single principal company. It also means that the worker's job is not an integral part of the principal company's business or services.

In the context of the courier industry, a company that continues to hold themselves out as performing the same work as their drivers will almost assuredly fall on the wrong-side of the B prong of the ABC Test. Holding out as broker; arranger of delivery; or logistics company doing business with independent contractors in the transportation business becomes essential.

### DYNAMEX APPLIES RETROACTIVELY

The major issues left open by the Dynamex decision was whether it applied retroactively. If the decision applied only prospectively, companies would be in a much better position to plan and adapt to this significant change in the law. For its part, the California Supreme Court declined to respond to requests for clarification on this point. However, in May of 2019, the U.S. Court of Appeals for the Ninth Circuit decided in *Vazquez v. Jan-Pro Franchising International*, 2019 WL 1945001 (9th Cir. 2019) that the Dynamex decision applied retroactively. Making the Dynamex retroactive subjects business entities to liability for misclassifying workers as contractors potentially going back four years, based on California's statute of limitations and not simply prospectively from the date of the Dynamex decision.

As noted above, the day after the *Vazquez v. Jan-Pro* decision, the California Labor Commissioner released an opinion letter concluding that the ABC test will apply to both Wage Order claims and various other Labor Code provisions which enforce Wage Order requirements. While California courts are not bound by Labor Commissioner opinion letters, this letter shows how aggressive the California Labor Commissioner will interpret Dynamex in the future, significantly impacting companies that use independent contractors in the state.

### "AS GOES CALIFORNIA, SO GOES THE NATION."

Not to be outdone, the California legislature is currently seeking to pass a bill which would cement Dynamex into law and applicable to all labor code claims. Assembly Bill 5 has passed the California Assembly and is now before the California Senate, awaiting a vote. Lobbyist for unions that could represent drivers in the gig economy are working feverishly to ensure that this bill passes the Senate. If Assembly Bill 5 passes, businesses are expecting to see an increase of up to 30% in expenses to comply with the new standard.

There is a competing bill, Assembly Bill 71, supported by the California Chamber of Commerce, which seeks to overrule Dynamex and codify the long-standing Borello standard for labor code claims. However, this bill has not been nearly as successful and has yet to pass through the State Assembly. This is in part due to Assembly Bill 5 being widely supported by well-funded labor unions and activists.

California decisions have a habit of spreading to other states. Every solidly red-state has metropolitan areas that are in near or complete alignment with left-leaning California and other similar states. Political advocacy with sufficient funding is the only solution. Outside of larger gig economy interests, labor unions and employee activists are largely outspending and outmaneuvering many industries on the misclassification front. This is particularly true in the courier and delivery industries. Courier companies need to take advantage of CLDA advocacy to latch on to legislative efforts from mega-gig economy companies.

### SOME GOOD NEWS

On April 29, 2019, the U.S. Department of Labor's Wage and Hour Division (WHD) concluded in an opinion letter that service providers working for a Virtual Marketplace Company (VMC), i.e., "gig" workers are independent contractors and not employees applying the "economic reality test". The "economic realities" test analyzes how depend the worker is on the employer. The WHD found that service providers provided their services to end-market consumers and were not working for the VMC. In other words, the drivers were working for consumers through the virtual marketplace, such that the VMC were acting more like a referral service, pairing service providers and consumers together, and not as employers.

A short time later, the NLRB followed with an advice memorandum classifying a group of Uber drivers as independent contractors under the National Labor Relations act determining that drivers have “significant opportunities for economic gain and, ultimately, entrepreneurial independence.”

In addition to these federal agency actions, in December of 2018, the FMCSA granted the American Trucking Association’s Petition for a determination that California’s meal and rest break rules were incompatible with federal hours of service regulations and holding California could not enforce those rules against DOT regulated drivers. While California has sought review of this determination to the Ninth Circuit, both state and federal courts have state and federal courts in California have begun finding preemption and deferring to the FMCSA’s stated preemption over DOT regulated driver meal and rest breaks.

While this is good news on the federal front, federal laws do not always replace or preempt state laws. Virtually all Atlantic seaboard, Midwest industrial belt, and West Coast states have their own labor laws that are more demanding than Federal labor law. Only Southern states tend to limit themselves to Federal labor law (by adoption).

## SOLUTIONS TO PROTECT YOUR BUSINESS

Courier companies should consider an expanded role for third-party providers (TPPs) by outsourcing functions that can provide a minefield of control issues that are used in finding employer-like control. TPPs can recruit, hire, and/or contract with pools of drivers/driver entities providing services to independent contractor drivers in finding companies that can offer them deliveries to make. In addition to providing services to

drivers, TPPs provide services to transportation brokers. Your company steps out of the driver-hiring and contract role and instead retains the services of a TPP who has a pool of qualified driver-clients who will follow the contractual requirements of your customer base.

Your company continues marketing, customer service, relations, and retention functions, dispatch and delivery orders, while the TPP handles administrative tasks associated with driver payments which are often the source of “employee status” determinations (settlement, insurance, occ acc, etc.).

TPPs should have a technology database with the essential capability of identifying and recording/proving that a driver/driver entity has driven for multiple companies, not just yours.

Your Company should contract only with drivers that have formed business entities, DBA’s are insufficient. LLCs can be attractive because it allows entrepreneurial drivers to grant “membership” interest to arguably allow “partners.”

Your Company should also focus on drivers that hire other drivers through their business entity. Contractors must always be able to provide services to other companies and work independently from your company. Do not restrict or interfere with contractor advertising. You can still maintain a firm contract with drivers that prohibits solicitation, customer theft, etc.

You should also consider precautionary measures, such as a class action waiver included in an arbitration agreement, so that any misclassification issues which might arise would be heard on an individual basis. A plaintiff lawyer’s desire to sue goes down dramatically when faced with a credible arbitration clause and class action waiver. **CLDA**



Paul Marron



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Marron Lawyers is a Long Beach, California based Employment-Misclassification law firm with extensive knowledge of Courier, Final Mile and other transportation industries using independent contractors. The Firm has tried and won court and regulatory misclassification cases for groups as large as 1500 drivers representing clients in CA, OR, AZ, HI, CO, TX, MO, AL, TN, MI, MN, NY & FL. Paul Marron was a speaker at the 2019 CLDA Annual Meeting & Expo in Phoenix, AZ. For more information see [marronlaw.com](http://marronlaw.com)





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By Sue Doerfler


# Making Safety Count

## ON THE ROAD AND THE BOTTOM LINE

**A**s the delivery space grows and evolves, last-mile carriers are faced with increasing costs related to warehousing rents, labor and insurance. To offset rising costs, some companies are investing in safety and compliance measures.

“Warehousing costs are escalating at a rapid rate,” says Kelly Picard, CEO at Hackbarth Delivery Service in Mobile, Alabama. “Where we used to pay \$3 a square foot, it’s now \$6 a square foot and higher.”

Delivery drivers want higher wages and can often find them working for large retailers or e-tailers, although they sacrifice having their own routes like they would have with many carriers, she says. Transportation and delivery rates have not kept pace with inflation, let alone the increasing costs mentioned above, and with more and more shippers offering free delivery, this has put pressure on the transportation and logistics companies providing these services, Picard says. The resulting issues have caused several last-mile and retail-pool delivery companies to declare bankruptcy or go out of business, she adds.



Auto-liability and cargo-insurance costs continue to escalate, Picard says. “Auto liability is rising in particular because of the litigious environment we’re in. The only defense you have is to not get into accidents.”

To deal with the problem, there are numerous safety measures carriers can take, she says: “One thing — which we’ve done — is investing heavily in safety and compliance.” Hackbarth wants to be a safety company who provides customized transportation and logistics services, she notes.

One measure is installing in-cab cameras: The cameras face (1) the front, to record activity outside the truck, and (2) inside, to record the driver’s actions and responses. Hackbarth has installed cameras in its employee-driven line-haul trucks, Picard says: They serve the dual purpose of reducing insurance costs and increasing driver safety. The cameras record events based on safety parameters.

“For example, hard-breaking or swerving trigger an event,” Picard says. “It records a number of seconds before the event, so you can see what happened in the cab or on the road to find out if somebody cut off the driver or if a deer ran in front of the truck. We use it as a defensive mechanism in the event we do have an accident. We also use it for coaching driver behavior before it becomes an incident.”

At first, drivers weren’t necessarily pleased with having cameras in the cab, Picard says: “But we explained to them that it’s as much of a protective measure for them and to help them become better, safer drivers, and prevent an accident in which they could lose their lives — when we put it in those terms, they don’t have a negative response to it.”

In addition to installing in-cab cameras, delivery com-

panies also are offering training and certification opportunities to employees and contractors to improve safety and reduce costs.

Hackbarth has sent its managers to a week-long certified trainer class at Smith System, a driver-improvement and safety training organization, Picard says. Additionally, the company has mandated that all employees take a one-day course to become a Smith System-certified driver, something it also offers — but doesn’t mandate — to its contractors. “It’s like going to a drivers-safety class,” she says. “We highly encourage the contractors participate. Many of them have taken advantage of it. They can take the certificate to their insurance company and typically they get a discount. So, it pays for itself in their time.”

The benefits of the certification have spread among the contractors, she says: “Once a few start taking advantage of it and they tell the others, ‘Guess what, I saved 10 percent on my insurance, which equates to \$100 or \$200 a year or more,’ it gets their attention.”

But the real result, she says: “It brings an awareness to their driving habits and behavior, helping them become safer drivers. That is the real return on the investment — saving someone from a major accident. Distracted driving is an epidemic level, so defensive driving techniques lead to fewer accidents if adopted.”

For last-mile delivery companies, investing in safety and compliance measures can be one way to improve driver behavior and offset rising costs. **CLDA**

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*Sue Doerfler is senior writer for Inside Supply Management® magazine.*





# Building a Successful Family Business

By *Andrea Obston*  
*CLDA Director of Public Relations*

**I**n 1973, Fred Fish quit his job as a logistics manager for a pharmaceutical giant to start his own courier company. Fish Courier wasn't an instant success. "I think the first month we made three deliveries for a whopping \$150," Fred recalls. "One was to deliver my mother's prescription from the pharmacy, one was to pick up groceries for my sick cousin, and the last was to retrieve a briefcase my old boss had accidentally left at a client!"

From that shaky beginning eventually came a full-scale courier service buoyed by Fred's hard work and dedication. He was able to leverage his connections in the pharma world, and later expanded into the home delivery of durable medical equipment. Over the years, many of his family members joined the firm. First his wife, Joyce, came on to handle accounts receivable. Later, Fish Courier employed the couple's two sons, Bobby and Fred, Jr. In 1990, his sister Philomena joined, followed soon after by Fred's daughter Regina and her husband, Willie. For a while, being family was an advantage. "There was no real structure. We just all pitched in where we were needed," remembers Fred. "Being family meant you kind of knew when it was time to help someone else out. We all shared a strong work ethic, so no one complained about having to work hard. We were all in it together and the firm grew, so we kept doing what we were doing. It just worked." Until it didn't.

Things started to slip in the year 2003, when the company's biggest account, Phrendly Pharmaceuticals, decided to end their thirty-year relationship with Fish Courier. Fred Jr. told his dad the blame should rest squarely on his uncle's shoulders. Freddy claimed his sister's husband was taking very long lunches and ducking out at 3:00 p.m. for squash games. With a daily 4:00 p.m. scheduled pickup at Phrendly Pharma, Willie was often unavailable to handle any problems or last-minute changes.

Fred Sr. was at a loss. How had his formerly all-for-one, all-for-all family come to this? Why was nobody happy at work anymore? And why had Sunday dinners become a war zone? More importantly, why was his wife talking about going back to work at her old job?

If Fred's quandary is something you can relate to, chances are you're in a family business. And, for a substantial number of CLDA members, it's a situation they are also familiar with.

This fictional scenario also sounds very familiar to the founder of Family Business Matters, David Bork. After 50+ years of consulting with over 500 family businesses, he's "seen this movie" before. He shared his experiences at the Final Mile Forum in a lively and interactive session.

Board member Jason Burns, himself a member of a family business, introduced Bork. The two met through Tulane's Family Business institute.

Bork outlined what he calls the "Four Pillars of Family Business." These four pillars, he explained, create a solid foundation for family business success. They are:

1. Alignment
2. Boundaries
3. Communication
4. Competency

He explained how these four pillars work together to create a long and stable family business.:



## Alignment – The Power Pillar

The Alignment pillar is all about how you share power. “By sharing power, you are able to do your job,” Bork said.

Shared values and traditions help a family strengthen this first pillar. “Traditions are the glue that holds the family together. For them to continue to strengthen the family, you must continue traditions or create new ones,” he said.

Alignment in the business leads to a clear strategy, organizational harmony, profitability, and ethical leadership. “There needs to be organizational harmony. Not just among family members, but in how you treat all employees. If you don’t treat either of these groups with respect, you get into trouble,” he pointed out. “Employees are a critical component, especially when the business starts to grow. When you start a business, you can get your arms around it with the help of family members. As you become more successful, though, you have to open your arms and include other people – employees.”

## Boundaries – The Rules Pillar

Pillar #2 is all about establishing and sticking to clear, well-maintained boundaries. It’s where you establish rules for handling personnel matters. “You’re always going to have to deal with personnel matters,” pointed out Bork. “Families are messy. You need to have rules for handling these messy issues. Boundaries support and serve the family business development, and will help to determine the clarity of process, the structure of authority and role definitions.”

He urged those in the audience to think about their businesses in terms of different rooms in a house when it comes to establishing boundaries. For example:

- The Family Room is where the source of power and the impact on the business’ legacy lives. In this room, specific business members build unity, develop talent and solve conflict.
- The Owners’ Room is for those who have an ownership stake. They may or may not be family members. “If you have a share in company operations, you can be in here and be considered part of the family,” he said. Those allowed in this room build strategic goals and choose the Board.
- The Board Room is the place where every person has an equal vote. That does not mean everyone’s opinion must be followed. As Bork said, “It’s okay to have an opinion on anything. It’s not okay for you to think your opinion must always prevail.” Those in this room monitor performance, choose the CEO, and the General Manager.
- The Management Room is where Operations lives. People in this room monitor performance and progress.

## Communication – The Clarity Pillar

Delving into this pillar helps management become more aware of their own communication habits and to understand the impact those habits have on relationships both within and outside the family. “Communication is an art,” pointed out Bork. “For it to be effective, it must be clear and constructive. Good communication helps resolve relationship issues in the company and the family. It allows you to establish a plan for the company’s long-term success. When this pillar is strong, it makes the decision-making process clear.”



# “There needs to be organizational harmony. Not just among family members, but in how you treat all employees.”

## Competency – The Continuity and Stability Pillar

The final pillar, Competency, is about developing family members' capacity to be an essential part of the business and to eventually step into leadership positions. “When you develop competency in your family members throughout their lifetimes, you sow the seeds of continuity and stability in your business,” said Bork. He urged audience members to cultivate family members' ability to produce and perform consistently, starting at an early age. “That begins with helping them to develop a sense of ownership and investment in the business. They need to learn to act like owners. They need to be groomed for succession,” he said.

Not all family members will develop the competency to be able to contribute to the company, cautioned Bork. “The idea that all family members are competent is not reasonable,” he said. “Competence is not genetically transferable.”

For family members who do have the capacity, getting ready for that responsibility should start when they are young, he advised. “They need to learn about work from a young age,” Bork said. “They need to learn to do things right the first time to be competent in all things. Teach your children that ownership of a company is a huge responsibility. If you don't expect them to do the right things at home, they won't be able to do it in the business. Teaching a child to work, to carry a job to completion, and to know they have done the best they can do are among the most important lessons of life.” He pointed out that establishing the requirement of a high level of accomplishment for family members will also have a positive effect on employees. “When you set a high bar for entry and competency, that becomes the criteria that all people must meet to get into the business,” he said. “If you have low criteria for family

members to enter the business, it's going to be noticed by others in the workforce.”


Setting a high bar for competency can be difficult, especially when it comes to dealing with family members. But, Bork pointed out, that's not as tough as having to fire a family member. “The trauma that goes with firing a person can be worse than setting a high bar to entry,” he said. “If you have a family member who can't perform properly you don't want to have to fire them from the family. It's better to set a high bar before they join the company. And, if a family member is already part of the company and they can't meet the qualifications, you help them find another career path.”

Bork concluded the session with an exercise that emphasized that those in the family must follow these principles:

- Have a clear succession plan and talk openly about it.
- Make sure your values are in alignment and are applied consistently.
- Have a clear understanding of operations.
- Be fully transparent about company finances.
- Establish and maintain clear lines of authority, responsibility, and accountability.
- Agree that competency is the most important criteria for entry into the business.

Session members left with a lot to think about and a renewed understanding of what it takes to build and maintain a successful, multi-generational family business.

For more information about family businesses, go to [www.familybusinessmatters.com](http://www.familybusinessmatters.com) **CLDA**



By Andrea Obston  
CLDA Director of Public Relations

# Cross-Border Business What's in It for You?

**“I would not fear international.  
The world has become a smaller place.  
You need to get a piece of it.”**

With those words Angelo Patrizio summed up the dialog during a lively panel discussion of the cross-border logistics market. Participants in the near-capacity break-out session learned about the challenges and benefits of doing business outside of the US borders on the first day of the Final Mile Forum.

Panel Moderator Suja Gopal set the stage for the workshop with an acronym that summarized conditions in the logistics sector that make cross-border business opportunities particularly attractive – VUCA

- **Volatility**
- **Uncertainty**
- **Complexity**
- **Ambiguity**

These factors open the doors for the need for change, she said. “You can’t rely on the past and you can’t use what happened before to forecast the future,” she cautioned. “You need to look at the new opportunities in the marketplace and choose those that can enhance your business. Adding cross-border deliveries is one of those areas.”

During the 50-minute breakout session, four professionals who are heavily involved in international logistics shared their expertise.

They included:

- Angelo Patrizio, Director, Regulatory Affairs and Compliance, Intentional Bonded Couriers
- Tim Byrnes, President, Jet Worldwide
- Paul Jasko, National Manager for Safety, Security and Regulatory Affairs, Purolator International, Inc.
- Bert Mesa, Regional Director, Latin America for MNX Global Logistics

**Question:** Let's start with a description of what each of your companies does.

**Patrizio:** Intentional Bonded Couriers is an international logistics company that specializes in providing customized global transportation solutions. We have teams dedicated to specialty courier and logistics, international mail processing, document and package express, air and ocean freight, and customs brokerage. We are a facilitation expert, for logistics, across borders and ecommerce through airports in Miami, Chicago, New York and Los Angeles.

**Byrnes:** Jet Worldwide provides international parcel logistics. We connect people, parcels and businesses around the world.

**Jasko:** Purolator International, Inc. is a freight forwarder in the US providing logistic transportation solutions to US customers for deliveries to, from and within Canada. We are the largest delivery company in Canada servicing all postal codes. The services include, courier, express, air, LTL, truckload, express logistics and Canada Mail deliveries by our affiliation with the Canadian Mail Service.

**Mesa:** MNX Global Logistics is a global provider of specialized, expedited transportation and logistics services. Clients include multinational leaders in the biopharmaceutical, life sciences, medical device, aviation and entertainment industries. These organizations rely on MNX to transport critical items around the world.

While each panelist had his or her own take on the cross-border logistics sector, there was one thing they all agreed upon - for carriers, adding international business has become critical for competitiveness. "There are opportunities out there to expand your geofootprint and improve the quality of service for your customers," said Gopal. Jasko concurred: "The opportunity to diversify internationally is all about enriching business with new opportunities."

"Today the supply chain is international," said Mesa. And Byrnes added: "With the way the supply chain is today, we're all in international ecommerce now whether we acknowledge it or not."

**Here are some tips from the panelists about cross-border business:**

**Question:** Why should a carrier consider adding business that goes across borders?

**Patrizio:** Global trade is an area that has sustained the largest growth in logistics. It's about doing more for the customer.

**Jasko:** I see five reasons to get into global trade: 1) The ability to grow your business by adding diversification to your core business; 2) The capacity to diversify your customer base to help your business expansion. 3) A chance to make up for slack during economic slowdowns. 4) The advantage of increasing your product life cycle. New international customers can kick-start your business growth cycle all over again. This increases the profitability and sustainability of your business and 5) The opportunity to boost the value of your business, should you decide to sell it.

**Gopal:** I want to add that there's a new, motivating factor for those in this room: The merger of the XLA into the CLDA. This merger brings a wealth of talents, expertise and resources from the XLA to all CLDA members. The XLA operates and thrives in the international environment. This space may be little-known or seem daunting to last-mile service providers, but the addition of the XLA members to the association can change that. Now CLDA members have access to an entirely new toolset and the opportunity to leverage the talents and expertise of the two organizations to expand the economic pie together.



### Question: How should carriers go about attracting cross-border clients?

*Patrizio:* First and foremost, make sure your existing customers know that you can do this work and don't decline their inquiries if they ask if you can do it.

*Byrnes:* Yes, make sure you've expanded your customers' conceptual understanding of your company as being international. In addition, make sure potential partners and prospects understand that you can provide these services.

*Jasko:* Start expanding cross-border work with NFO (next flight out) shipments internationally or retrieving an inbound NFO and making that delivery. You can also align with a strategic partner in that business to provide first and last mile local PUD to their consolidation facility in your cities. Also, it can just be a matter of finding and selling cross-border shipments within your customer base and handing them off to a 3PL partner. Lastly, if you are close to a border learn the cross-border clearance process and set up your own PUD. In the case of Canada, 80 percent of the population lives within 100 miles of the border.

### Question: How do you get started?

*Gopal:* Research the market. Learn as much as you can on your own and reach out to industry contacts. Make sure this is a viable and profitable revenue stream for you. There are issues you need to be aware of such as: security compliance, customs expertise, insurance, IP protection/data-privacy and training costs that are associated with doing cross-border business. Get the required programs and certifications such as IAC (Indirect Air Carrier) and meeting TSA compliance requirements. Attracting cross-border clients requires in-depth knowledge and education. Know the

basics. Complete your due diligence on feasibility, viability and the opportunity itself. Get connected. Prepare the organization and the resources. Then, build and launch the marketing campaign.

*Paul:* Look at where you are in the supply chain already. Are there opportunities that you could piggyback on based on what you're already doing for your existing customer today? Drill down. Find out if they have other service opportunities across the border you can handle.

*Byrnes:* Yes, the verticals you're involved with may have an international component. Stay involved with the CLDA. You'll find opportunities through the association. It's becoming more international.

### Question: What are the biggest challenges to doing business across borders?

*Patrizio:* Finding a knowledgeable trading partner to assist you through the process.

*Byrnes:* Beyond cultural issues you need to understand that international volumes often start at much lower levels. So, the challenge is focusing on a segment that will represent a smaller scale. In the best-case scenario, it could actually present a greater potential for growth.

*Jasko:* You can easily underestimate the challenges involved in moving packages and freight over the U.S.-Canada and other borders. Proximity creates the illusion of easy access. Shipping to and from Canada is just like dealing with any other sovereign nation, complete with its own set of rules and red tape. U.S. businesses shipping goods to Canada are often surprised at the complexity of the border clearance process and they underestimate the resources necessary to ensure full compliance. The process is extensive and is also subject to change with little notification. The Canada Border Services Agency (CBSA) has overall responsibility for enforcing Canada's trade

laws, including enforcement of mandates and financial obligations on behalf of several other government agencies. Most U.S. businesses that ship to Canada enlist the services of a third-party customs broker or logistics partner with the expertise to handle the Canadian customs process.

**Question: How does your company partner with last-mile providers?**

*Byrnes:* Last-mile for international parcel demand is currently limited to FedEx/ UPS/ USPS. For CLDA carriers to be considered, a standardization of the offer is needed. This can include such things as bar codes and labeling formats, sequential tracking numbers, standardization of event codes, shared APIs quality reporting and pricing.

*Jasko:* We start with our CLDA contacts and learn about their business models to determine synergies and alignment opportunities. Then we make contact and develop relationships from there.

*Mesa:* TSA certification is key. What we look for in agents for international is general knowledge of international trade requirements. The carrier needs to be able to understand what we shippers go through. They need to be able to navigate through those processes, especially when it comes to dealing with airlines and recovery. They also need to be able to easily communicate status updates in a way that goes across countries.

**Question: For a last-mile provider who wants to jump into this by simply doing business across the borders with Mexico and Canada, what is your advice?**

*Patrizio:* That market is well saturated with experts already providing the service. The new market is across many other borders.

*Byrnes:* Partner with other local/ domestic carriers in each market.

*Jasko:* Yes, I think a first step should be aligning with strategic partners. There are opportunities out there to work with them. These partners know what needs to be done and have cracked the code. These partners will handle among other things:

- Business Numbers - Any business importing or exporting goods to Canada must register with the Canada Revenue Agency and be issued a business number that must be used on all paperwork. This is used to track all customs-related documentation and payments.
- Cargo Control Documents (CCD). - The cargo control document (also referred to as a manifest) includes an itemized list of the contents included in a shipment.
- Commercial invoices or Canada Customs Invoices - This is the primary document a buyer/importer uses to pay a vendor/exporter and generally includes the following information: description of the goods, direct shipment date, tariff treatment, country of origin, tariff classification, value for duty, appropriate duty or tax rates, and calculation of duties owed
- Canada Customs Coding Form (B3). Form B3 allows the Canada Border Services Agency to account for goods intended for commercial use in Canada.
- NAFTA Certificate of Origin - Shipments eligible for NAFTA trade benefits must be accompanied by a Certificate of Origin. This document includes detailed information about the contents of a shipment, including the origination of each component part. The Certificate of Origin is not required for non-NAFTA shipments or for shipments valued at less than \$1,000 (U.S.).
- Import Permits - The Canada Border Services Agency assists other government departments (OGDs) in administering entry requirements for products that fall within their areas of control. Many goods subject to OGD requirements necessitate special permits, licenses, certificates, or other paperwork.

- Sales taxes - These are different from import duties. NAFTA eliminated duties on domestic goods moving between the U.S. and Canada, but duties may be owed on non-NAFTA goods. Also, goods may also be subject to excise taxes and other fees. For example, an “antidumping duty” is assessed on any product.

*Gopal:* I agree with Paul. Understanding the customs clearance process and connecting with a partner that does this kind of business can save a lot of time. We have those contacts in the association now. They are the members of the former XLA. They have a wealth of experience and talent that’s now accessible to all CLDA members.

Canada is the largest and most critical trading partner for the U.S. To work across that border you’ll need to thoroughly understand compliance factors such as C-TPAT (Customer & Trade Partnership Against Terrorism) by the US Customs & Border Protection; PIP (Partners in Protection) by Canada Border Services and FAST (Free And Secure Trade) which is a joint program by both countries.

*Mesa:* Suja is right. We have the resources right here to help each other out including local airline associations. They are at this meeting and they are some of the best resources you’ll ever need.

**Question:** How would you advise people to get started doing business across borders?

*Gopal:* Getting your organization and teams prepared for their roles to support cross-border business requires considerable planning and resource allocation. Before jumping into this, know your capacity to handle that.

*Patrizio:* Canvass and observe the international business trends of your local customers and businesses. They may already be receiving or shipping international product.

*Byrnes:* Starting is as simple as introducing your company to potential customers and exploring potential areas of development, with NDAs of course.

*Jasko:* Align with non-asset-based logistics providers who offer highly flexible, customized solutions to meet their customer’s specific needs. In most instances, they tend to be “non-asset based,” meaning their companies don’t own their own trucks, trailers, distribution facilities, or other logistics-related equipment. Instead, they rely on relationships with transportation providers, warehouses, and distribution centers like you.

**Question:** What do you forecast for this kind of business in our sector within the next few years?

*Patrizio:* International ecommerce will remain the largest area for growth.

*Byrnes:* Growth that will greatly exceed increases in domestic delivery.

*Gopal:* With the combination of volatile markets, trade discussions, issues around the world and the unrelenting consumer trend of needing things now I would expect cross-border business to continue to expand.

*Jasko:* This kind of business goes by many names — cross-border commerce, borderless business, international online retail. But more important than what it is, is what it isn’t. Global ecommerce is not a luxury. Going global is a necessity.

According to the Council of Supply Chain Management Professionals (CSCMP), last-mile services account for as much as 28 percent of total transportation spend. So, it is a good place to be and carriers need to continue to develop their future plans and strategies.

Global trade will be disruptive, and it will continue to increase and change rapidly. Our industry is adaptable and can accommodate these changes. We have to. **CLDA**



# 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





# the workforce of the future is coming from universities

By *Andrea Obston*  
*CLDA Director of Public Relations*

In the midst of a workforce drought, there is some good news. Logistics is a hot major in business schools. In fact, supply chain management is recognized as one of the hottest job tracks in U.S. News & World Report's "Best Jobs of the Future issue."

The website College Choice (CollegeChoice.net) lists 20 of the top programs as a student's best choice for Logistics and Supply Chain degrees. Coming in among the top 10 programs is Arizona State University. The College Choice website describes the school this way: "Recognized by U.S. News and World Report as the nation's most innovative school, Arizona State boasts over 40 programs ranked in the top 20 in the United States."

Two professors in the program, Joseph Van Orden and John Konopka, gave conference participants an exciting overview of the supply chain management programs at the W.P. Carey School of Business at Arizona State University. CLDA Board Member Tim Cocchia moderated the discussion. For conference participants this session was a welcome and encouraging look at the potential members of their future workforce.

# the future is in distributed computing and the whole way retail is changing...



“ASU is a supply chain university,” said Van Orden. “Every WPC undergraduate student, no matter what their business major, is required to take an introductory course in supply chain. Logistics topics introduced in this course include: Modes of transport, warehousing, distribution, last-mile, containerization, documentation, incoterms, free trade zones and packaging.”

According to US News & World Report, the school's undergraduate supply chain program is ranked #2 in the nation and their graduate program is ranked #3. Undergrads can choose from a Bachelor of Science in Supply Chain or a Bachelor of Arts in Global Logistics. Grad students earned their Masters of Science in Global Logistics. More than 1600 students graduated from these programs in 2019. Most had already secured jobs during the fall semester before their May graduations. These jobs were in supply chain logistics; operations/production; purchasing, consulting and business development. Their roles included: supply chain analyst; operations manager; procurement analyst and solutions analyst.

How can members of our industry tap in to these well-educated students? Konopka offered these tips:

- Get involved with these schools
  - Participate in their career fairs
  - Get in touch with their Career Services staff
  - Volunteer to be a speaker at a class or for the clubs focused on these majors.
  - Offer to give tours of your facility to interested students
  - Offer internships and part-time jobs to students.
- “We know students who get involved in a supply chain company through part-time work are more likely to stay around once they are done with their degrees,” added Van Orden.

These two professors also suggested that the executives in our industry become members of programs like ASU's Supply Chain Executive Consortium. The


university's website describes the consortium this way: “Member companies of the Supply Chain Executive Consortium recognize that achieving value chain excellence requires constant innovation and refinement, and they partner with Arizona State University's top ranked supply chain management program in this pursuit. The Consortium provides unique opportunities for top executives and their extended leaders. The Executive Board meets twice a year to determine Consortium activities, interact with top undergraduate and MBA supply chain students, collaborate with faculty about curriculum, deepen relationships with ...faculty, and admit new Consortium members.” Programs like this are designed to involve supply chain executives in honing the academics in these programs, providing talent, doing research and providing thought leadership in the industry.

What do these professors see as the future of our industry? “The future is in distributed computing and the whole way retail is changing,” said Van Orden. “Amazon discovered they can make more money through their Amazon Web Services than they can in selling goods. In fact, between that and selling advertising on their site they reported \$7 billion in profit last year - \$5 billion from AWS and \$2 billion from advertising. They actually made nothing off of the stuff they sold. The future of this industry will be built by the way people are shopping and how products are delivered.”

As for the students, where will they work in the future? Konopka's answer summed it up for both the students and the industry: “Some of the companies our students will be working for don't exist yet. My advice for those of you already in the business is this: Keep learning and keep growing.”

Clearly, everyone in the industry will need to change and adapt to the new realities as they come hurling towards us. And to develop a keen eye for change as the key to success in the future. [CLDA](#)





By Andrea Obston  
CLDA Director of Public Relations

# CLDA Cares

## Born from a Hurricane and Looking Beyond It

When Hurricane Harvey made landfall in Texas on Aug. 25, 2017 it changed the lives of everyone in its path. The Category 4 hurricane caused about \$125 billion in damage and ranks as the second-most costly hurricane to hit the U.S. mainland since 1900.

CLDA Board Member Thomas Jowers from ADL Delivery knew something had to be done. While the Houston branch of his company was not damaged and his neighborhood remained intact, many of his friends and neighbors were not so lucky. He spent days helping rescue people by boat and arranging for ways to help feed survivors. “There were communities around us that were completely destroyed,” he recalls. “They lost homes. They had no electricity. They couldn’t work. Something had to be done to help them get back on their feet.”

And that something gave birth to what is now the CLDA Cares program. Funded by CLDA members, vendors and affiliates, this community service program is all about helping people in our industry to recover from loss and arming their children for success in the future.

There are two funds that are part of CLDA Cares. For those affiliated with our industry, there's the Community Recovery Fund to help give them a hand up in tough times. The second fund, the CLDA Scholarship Program, offers the children of CLDA members a leg up – by donating funds for them to continue learning after high school.

I recently interviewed CLDA Cares Founder Thomas Jowers. I asked this CLDA board member and Vice President of ADL Delivery about the program and what it means to all CLDA members.

*Question: Thomas, tell us how this idea took hold for you.*

Jowers: The Houston flooding was the start. Being in Houston myself and seeing the impact of what they were calling a thousand-year flood I can't begin to describe what I saw. The storm dumped more than 27 trillion gallons of rain over Texas, making Harvey the wettest Atlantic hurricane ever measured. I might not have been able to put it not words, but I knew what I had to do. I reached out to CLDA members and within days we raised almost \$20,000 to help CLDA members affected by the storm. We were able to benefit 11 families who were employees, independent contractors and other members of our CLDA family. Helping those families felt right and we've decided to keep building the fund to help other people who are part of our CLDA family who are in need in the future. It's more than a disaster relief fund; it's a community relief fund for members who need some help to ride out tough times.

*Question: The other leg of the CLDA Cares Program is the Scholarship Fund. Let's talk about that.*

Jowers: We wanted to be active in the community to promote education for the next generation. The Scholarship Fund helps children of CLDA members pursue

education beyond high school. It's available for any dependent of someone who is with a company in good standing as a CLDA member. The student can be going to trade school, trucking school or college for any major.

*Question: How do they apply?*

Jowers: Applicants must be sponsored by a CLDA member company. It is open to high school seniors. They will need to submit an application, two letters of recommendation and an essay about why they are pursuing an education beyond high school.

*Question: What is the amount of the scholarships?*

Jowers: In 2020 we will award two \$1000 scholarships. As the fund recruits more donors, we expect those amounts to increase.

*Question: As I understand it, you've already had donors support the scholarship fund even though fundraising hasn't officially kicked off.*

Jowers: Yes, I reached out to our vendors and three have already stepped up. We have now kicked off the active fundraising campaign and we are looking for members, vendors and affiliates to pitch in. It's a great way to invest in the next generation of our members.

*Question: Speaking of the next generation, what is your hope for the future of these two CLDA Cares programs?*

Jowers: We want to continue to reach out to the members of our community in need. We want to build the funds so we can be there in tough times and when kids want to arm themselves with education to succeed in the future.

It's all about encouraging the future of our industry in every way. We invite everyone associated with CLDA to play their part in making that happen. If they'd like to contribute or learn more, they can fill out the form on our website ([clda.org](http://clda.org)) or get in touch with Shawn Swearingen, Executive Director of the CLDA at [sswearingen@clda.org](mailto:sswearingen@clda.org). **CLDA**



*Take Your Company  
to the Next Level at the*

# CLDA Executive Leadership Summit

By *Andrea Obston*  
*CLDA Director of Public Relations*

**L**ooking for ways to grow your company and your leadership? If so, you'll want to attend the CLDA Executive Leadership Summit in September. This hands-on working conference will help you and your upcoming leaders sharpen your skills; gain practical knowledge and be ready for the new workforce. It will be held on Wednesday, September 25 and Thursday, September 26 at the Evergreen Marriott Conference Resort in Atlanta, GA.

This is the second year for this CLDA's skills development boot camp for c-suite executives, young professionals and managers in the leadership pipeline. Those who attend will receive hands-on leadership and executive training with other logistics executives and managers in the industry.

The Executive Leadership Summit will be led by management trainer and consultant Ed Eppley. 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. He has worked with executive teams at multinational companies across the U.S., Europe, China, Japan, and Australia. His clients include a "Who's Who" of business category leaders such as BMW, DSW, Sara Lee, Bloomberg, Battelle, Goodyear Tire and Rubber Company, Speedway, Steamboat Ski & Resort Company, Value City Furniture, PSA Airlines, Emerson Electric, NECCO, Safelite Auto Glass, and others.

"My goal for those who attend the ELS is that they advance their businesses through what they learn at the



Session presented by Eppley will include:

## DAY 1

- Smart vs. Healthy – In this session you will learn how 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.
- You Can't Be a Good Leader Until You're a Great Manager – Here participants will learn about the six disciplines of professional management. When performed well, these disciplines will help executives direct, operate and control the outcomes of their businesses.
- The Gap Trap – In this session, managers will learn about the inevitable dilemma of over-focusing on producing results and failing to develop their people. This common trap often leads to managers working harder and longer than they did the year before and ultimately burn out.

## DAY 2

- Exceptional Performance Isn't an Accident – Participants in this session will come to appreciate that individual and organizational performance have to be routine for an organization to thrive over the long haul. Making high performance the norm starts with defining what success looks like for every person in your company.
- Creating a Truly Healthy Company – In this session, participants will learn how to help their people see their work as something more than a set of outcomes or tasks. When this happens, productivity soars and inter-office politics disappear.
- Taking the Concepts Home - In this wrap-up session, participants will develop real-world strategies that they can bring back to their offices and put into play as soon as you get there.

conference,” he said. “At the end of the event I expect they will develop ways to operate their businesses with more confidence. They should feel more confident to compete in the highly volatile environment in which they operate. My job will be to facilitate conversations about proven principles for managing and leading and to help them think about how these principles apply to their businesses.”

Based on his experience in the logistics sector, Eppley will urge participants to think of their businesses in new ways. “I want them to consider that the industry they are in is all about mobility. There is a large and growing movement around the concept of mobility. The traditional methods of moving people or packages are all under question,” he said. “If you a member of this association, you need to get comfortable with those changes and to think about how they affect both your customer (the shippers) and their clients. I want participants to ask themselves, ‘Who is my ideal customer and how do I help them best serve their clients?’ That’s who your business should be built to serve.”

The conference will also include two sessions by guest presenters.

Eppley sums up the reasons to attend the Executive Leadership Summit this way: “Ten years from now the issues

that are confronting people in this sector will be totally different. The reality will shift. These sessions will help arm participants with the ability to recognize these shifts and to use them to develop stronger and more resilient and sustainable organizations.”

Registration for the Executive Leadership Summit is now open. The cost for members is \$695 and non-members is \$895. It does not include hotel reservations. To register for the conference and book your hotel room, go to the Events page of [clda.org](http://clda.org). [CLDA](http://clda.org)

# Member **News**

## Excel Group Announces Acquisition of Custom Courier

Excel Expands Biomedical Courier and Logistics Services Adding a Full-service Facility, Cold Storage Options, and Biomedical Clientele

Excel Courier, Inc. (Excel Courier), a high touch, time critical delivery and warehouse management service provider, is pleased to announce it has completed the acquisition of Custom Courier Systems, Inc. (Custom Courier), a full-service delivery and warehouse provider, specializing in biomedical services.

Chris Marchetti, CEO and President of Excel Group stated, "Custom Courier's focus on biomedical services is what attracted us to this acquisition. We believe it will

complement our current offerings and allow us to provide more services to our present and future clients."

The acquisition strengthens Excel's commitment to provide specialized services by adding cold storage options, expanding biomedical clientele and adding a full-service facility. Excel's six strategic locations in Maryland, Virginia and Pennsylvania grows Excel's footprint and resources to better serve the Mid-Atlantic.

"Combining the two companies will provide a collectively greater depth of industry knowledge as well as a broader offering of business solutions," said Ed Susa, President of Custom Courier. **CLDA**

**ABOUT EXCEL COURIER, INC.**  
Excel Courier and Logistics is a high touch, time critical Transportation and Logistics provider serving the Mid-Atlantic region for over 30 years. Excel Courier specializes in last mile delivery and warehouse management services that are committed to moving lives forward. Based in Sterling, VA, the company operates six facilities in the Mid-Atlantic with over 100 drivers. More information on Excel Courier can be found by visiting [www.excelcourier.com](http://www.excelcourier.com).

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## Rolo Transport Sponsors Children of Fallen Patriots Golf Tournament

For the first time Rolo Transport is presenting the Children of Fallen Patriots Golf Tournament on Oct. 11. The tournament will be held on The Senator Course at Shula's Golf Club in Hialeah, Florida. All proceeds of the event will go to the Children of Fallen Patriots Foundation which provides scholarship opportunities to the children of our fallen heroes.

The Children of Fallen Patriots Foundation provides college scholarships and educational counseling to military children who have lost a parent in the line of duty. Since its founding in 2002, Children of Fallen Patriots has provided college scholarships to Gold Star families in all 50 states, in all branches of the military.

The Senator Course at Shula's Golf Club, a classic style course on over 500 tree-shaded acres. Players of skill levels will be challenged by this 18 hole, Par 72 championship course.

For more information about the tournament, go to: <https://rolotransport.wixsite.com/fallenpatriotsgolf>.

### Rolo Transport Final Mile Experts

Rolo Transport is the title sponsor for this event. Rolo Transport is a courier provider based out of South Florida providing "Best in Class" service to all their clients.

### Shula's Golf Club

Shula's Golf Club is the host of this event. Known as one of Miami's best Championship Golf Courses, The Senator Course is unlike the typical hotel golf course. Originally designed of Bill Watts in 1962 and later updated in 1998 by nationally recognized Golf Course Architect Kipp Schulties, is the perfect destination for great golf.

**CLDA**

## California Delivery Association Holds 2019 Annual Meeting & Lobby Day

On May 15, 2019 the California Delivery Association held its Annual Meeting & Lobby Day. Attendees who participated were brought up to date on recent developments regarding the Dynamex ruling and key transportation and courier issues for 2019. They also got a chance to voice their key business concerns and make their voice heard with their specific district representatives.

### MEETING HIGHLIGHTS INCLUDED:

#### Keynote Speakers Damon Ott & Mel Cole with Littler Mendelson

Littler discussed recent updates with CA Superior Court Decision for Dynamex regarding test for employees vs. independent contractors and current lawsuit status by CTA, WSTA regarding federal preemption as well as meal and rest breaks and hours of service issues.

#### Keynote Speaker Senator Mike Morrell 23rd District (R-Rancho Cucamoga)

The Senator gave an incredible overview and breakdown of how SB1 money was diverted from our roads and provided an update on transportation committee issues with an empowering message to get involved at the local level.

#### Election of the Board of Directors

This year there were four directors up for re-election, a new president due to term limits and a new director as Ian Finn resigned after 10 years on the BOD.

- Andrew Brady (King Courier/SF) was elected as President our first second term president in association history.
- Caryl Millen (Universal Courier Ltd./Culver City), Paymen Khosvavi (Apollo Couriers Inc./Inglewood), Rick Pople (T-Force/Fullerton), Ron Porat (LA Messenger/Sherman Oaks). All of whom were re-elected.
- Tim Loveday (Future Logistics LLC./Roseville) was elected as a new director.

#### Political Action

MCP Legislation in progress we have a 2019 Spot Bill and potential co-sponsor CA Tow Truck Association (CTTA) current author target is Christy Smith 38th State Assembly district.

- Joined Dynamex Coalition with several associations & companies (Executive Director Testified at Labor Committee Hearing)
- Joined Coalition to oppose SB 246 - Oil and gas severance tax
- Joined Coalition to oppose AB 40 - Vehicles: Clean Cars 2040 Act
- Joined Coalition to oppose AB 5 Worker status: independent contractors (Codify)
- Joined Coalition to support AB 71 Employment standards: independent contractors and employees.





## What is My Courier Company Really Worth?

The New York State Messenger and Courier Association had a business meeting and workshop seminar on Wednesday, June 13th. Skip Maner from New Spring Capital and Peter Glazman from USPack presented an in depth view of what our courier businesses are really worth and the best practices on how to prepare for an exit strategy.

Mr Glazman touched the Association by sharing his story about how he achieved The American Dream. Peter Glazman immigrated to this country from the Ukraine in 1979. He started his career as a courier in 1982 and by 1986 founded USPack. Fast forward to 2014; and USPack

had grown to be a 30 million dollar business, and in 2015 he decided to sell 55 percent of USPack to New Spring Capital. It is an incredible story of humble beginnings with hard work, grit, and a successful exit.

We were informed that, selling a business is a once in a lifetime experience and even leaders in the industry and businesses earning millions of dollars per year, must seek out proper advice because of the uniqueness and specialized knowledge required in selling one's business.

Attendees learned how to minimize tax liability and add more value to their business; when to start preparing for an exit; how long the wait process takes; what the typical fees associated with the sale of the business are; how much a seller receives upfront and how long they need to stay on for, what buyers are really looking for; and which valuation formula is right for which business.

The New York State Messenger and Courier Association are grateful to New Spring Capital and USPack for the time and experiences they shared, and we look forward to continuing this conversation with them.

The New York State Messenger and Courier Association will hold its next business meeting and workshop at Arno's Restaurant, located at 141 West 38th Street, New York, NY 10018 on Wednesday September 12th, 2018.

*Also in anticipation of another successful year be on the lookout for our annual holiday party in December.*

**Date: TBD CLDA**

## New Offices. New Services for Pearl Transportation & Logistics

Pearl Transportation & Logistics recently moved to its new headquarters, giving the company four times the space of their previous offices. The move and expansion came in response to the transportation firm's addition of warehousing services and the need to be closer to LAX to service their increasing next flight out delivery services.

The company's new 3000 square foot space is located at 420 Hindry Ave in Inglewood. Their previous offices, on Eucalyptus Avenue in Inglewood, was 750 square feet. "We surveyed the needs of our clients and many were looking for us to offer warehousing services, which was one of the reason's we needed more space," says Pearl Transportation's president, Lorena Camargo. "In addition, this space allows us to better meet the needs of our clients for need next flight out airport deliveries and pickups. It also gives us the ability to expand the trucking services we provide to our clients."

Pearl Transportation & Logistics' growth since its founding in 2011 has been dramatic. Co-founders Lorena Camargo and Guadalupe Morales worked their way up in the logistics industry, moving from drivers, to dispatchers, customer service reps and into management. When they started the firm in 2011, its Burbank offices were in a 250 square foot space. Camargo remembers those days well: "We could only fit three desks in that space, but it gave us a business address and a place to start!" **CLDA**



*Skip Maner (New Spring Capital), Peter Glazman (USPack), Mark Chiusano (Avant Business Services Corp), Larry Zogby (RDS Delivery Service)*

## The Final Piece to the Final-Mile Puzzle: Priority Express Introduces PX VERITRACK™, a Technology-Driven Solution to Provide Maximum Visibility and Traceability into Shipments

Expedited logistics partner delivers a seamless final-mile experience to meet evolving demands of today's consumers

Priority Express, a leading expedited logistics partner in the Mid-Atlantic, today announced the launch of PX VeriTrack™, a mobile app designed to drastically improve predictability and transparent communication in the world of final-mile delivery solutions. The new app will meet the rapidly changing needs of consumers through custom push notifications, real-time GPS tracking, and greater visibility than ever before.

The final-mile delivery market in the United States is expected to reach over USD 65 billion by 2023.<sup>1</sup> The startling rise of the e-commerce market and Omni-channel marketing has created a massive need—and greater obstacles—for a seamless, predictable, and reliable final-mile delivery solution. Unlike other shipping services, the last leg of the supply chain is typically time consuming and involves delivering items to multiple routes. Due to traffic in urban areas, this often causes unexpected delays, unpredictable delivery times, and lower customer experience.

“The final-mile delivery market is struggling to keep up with the high level of convenience and communication that today's consumers demand,” said Jon Rydel, Chief Executive Officer, Priority Express and CLDA board member. “We are proactively addressing these frustrations through an innovative software that will raise customer satisfaction and efficiency to new heights.”

To overcome these challenges, PX VeriTrack™ utilizes a live interactive map and GPS tracking to provide both parties—customers and their delivery end points—with up-to-the-minute ETA's of a driver's exact location. The new app's capabilities include real-time push notifications that will automatically communicate when a shipment will arrive. If deliveries are delayed due to traffic or previous end points, PX VeriTrack™ will send a push notification with an adjusted ETA.

The easy-to-use interface also gives Priority Express' customers the ability to provide this application to their end delivery points and be notified prior to a driver's arrival. For healthcare industries, this feature is paramount to delivering high-quality care, especially for bedridden patients who require caregivers to be present at specific times. Patients are now part of the communication process and are aware when a driver is approaching the home to pick up blood, specimens, and other time-critical items.

“PX VeriTrack™ not only provides greater flexibility, but also a seamless and personalized customer experience for all users,” said Jon Rydel. “Their time is important, and with complete transparency, customers no longer feel obligated to wait around all day.”

PX VeriTrack™ is available for iOS and Android mobile devices.

To learn more, visit [www.priorityexpress.com](http://www.priorityexpress.com). **CLDA**

### ABOUT PRIORITY EXPRESS

Since 1994, Priority Express has set the standard in the transportation and logistics industry. The company is known for its customized solutions and seamless communication that meet customer's requirements for time critical packages. Priority Express understands that leading the way in technology and driver accountability allows customers to have a unique and positive experience unlike anywhere else. Utilizing state-of-the-art technology, Priority Express provides GPS live tracking, up-to-the-minute ETA's, and maximum visibility into shipments. From home-based entrepreneurs to large Fortune 500 companies, Priority Express is the trusted same-day delivery service throughout the Mid-Atlantic region.

<sup>1</sup> Mordor Intelligence. (2018). Last Mile Delivery Market in the United States – Segmented by Service Type – Growth, Trends, and Forecast 2018-2023. Retrieved from: <https://www.mordorintelligence.com/industry-reports/last-mile-delivery-market-in-the-united-states>

## MonarchFx, A Business Unit Of Tompkins International, Partners With DeliveryCircle, LLC

MonarchFx, a business unit of Tompkins International has partnered with DeliveryCircle, LLC. We invited DeliveryCircle to join MonarchFx because they are an innovative same-day delivery provider.

Together, MonarchFx and DeliveryCircle have collaborated to provide a same-day delivery service to any interested sellers with the ability to be customized for any special needs. The DeliveryCircle technology is superior and can be integrated with all operational needs. Some features include dashboard monitoring, driver schedule management, online logistics track and trace, route optimization, and document and signature capture.

MonarchFx was created to give brands and retailers a highly credible fulfillment solution, superior to other alternatives.

MonarchFx provides quality services at reasonable prices, requiring low capital investment.

DeliveryCircle is MonarchFx's same-day delivery solution, offering quick implementation, reduction in costs, increase delivery service levels, and a superior delivery service for our sellers. "We are excited about the market opportunity MonarchFx has in front of them and are extremely proud to be part of their delivery solutions offerings," stated Vijaya Rao, CEO, DeliveryCircle.

"I am happy to announce our partnership with DeliveryCircle. This partnership enables MonarchFx to provide same-day delivery, adding to our clients ability to provide even better customer service," stated Jim Tompkins, CEO, MonarchFx. [CLDA](#)

### ABOUT TOMPKINS INTERNATIONAL

Tompkins International is a supply chain consulting and implementation firm that maximizes supply chain performance and value creation. It enables clients to be more profitable and valuable, while also becoming more agile, flexible, and adaptive to the marketplace. Tompkins collaborates with client teams to develop improved operations strategies, supply chain planning, and execution across all the Mega Processes of supply chains (PLAN-BUY-MAKE-MOVE-DISTRIBUTE-SELL). Tompkins is headquartered in Raleigh, NC and has offices throughout North America and in Europe and Asia. For more information visit: [www.tompkinsinc.com](http://www.tompkinsinc.com).

### ABOUT MONARCHFX

MonarchFx, a Tompkins International company, is an alliance of leading logistics service providers, supply chain technology providers, and partners, managed by experienced executives, that provides world-class logistics and fulfillment solutions through an innovative logistics ecosystem. It serves retailers, brands, and other sellers with multiple fulfillment channels, providing speed, quality, and efficiency, operating with distributed logistics centers for nationwide coverage, allowing for same-day delivery. It is high-service, facilitated by advanced robotics, analytics, and artificial intelligence methods for inventory allocation. For more information visit: [www.monarchfxgo.com](http://www.monarchfxgo.com).

### ABOUT DELIVERYCIRCLE

DeliveryCircle is a privately-held company disrupting the traditional last mile logistics industry by offering flexible and affordable same-day delivery options to enterprise customers. The company offers highly tailored solutions that enable enterprise customers to efficiently offer same-day, last mile delivery with a high service level that protects their brand. Through DeliveryCircle's innovative software and mobile application, clients are able to match package sizes with a pool of professional, safe drivers and various delivery vehicle types. The company was founded in 2014, is based in Newark, Delaware, and is designated a Certified WBE. For more information about DeliveryCircle, visit [www.deliverycircle.com](http://www.deliverycircle.com).





**CLDA**

# Important DATES

## **CLDA Executive Leadership Summit**

September 25 – 26, 2019 / Atlanta, GA

## **Air Cargo World**

January 26 – 28, 2020 / Nashville, TN

## **SMC3 Jump Start**

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

## **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



# 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**

