



# TRENDS THAT WILL SHAPE THE INDUSTRY IN 2022



# THE INDUSTRY'S SMARTEST DELIVERY MANAGEMENT SYSTEM

- Win more business
- Increase your margins.
- Offer your customers and drivers a flawless experience.



#### **CONTACT US FOR A DEMO**

1.844.558.2011

info@dispatchscience.com

# In This ISSUE



#### FEATURED ARTICLES

- 12 5 Transportation Industry Projections to Watch in 2022
- 16 The Changing Face of Work
- 22 Attracting Talent in 2O22
- 30 Hiring Challenges 2O22
- 34 Tech Trends for 2022
- 38 Trends in Air Cargo
- 44 A Focus on the Intersection of Logistics & Insurance
- 48 Branded Offices
- 52 Meeting the Challenges of Holiday Rush 2021
- 54 Get Ready for the Challenges of Transporting Cannabis
- 58 CLDA and ECA: Strengthening the Industry Together

#### **ASSOCIATION NEWS**

- 66 Association News
- 68 CLDA New Members
- 70 CLDA Kudos Corner

#### **DEPARTMENTS**

- 5 President's Message
- 8 Government Affairs
- 62 Business Toolkit 10 Tips for Writing Better Driver Contract Job Ads



#### **Imagine**

a delivery vehicle that helps keep your people safe and maximizes efficiencies on their delivery routes. A vehicle that minimizes the steps a driver takes in and out of the vehicle while delivering the same number of packages faster and with less fatigue.

Adrian Steel can help you drive more profits with our complete upfit solution for the delivery industry.

Visit adriansteel.com/parcel-delivery to learn more or find your local distributor at adriansteel.com/distributors

#### **NOW AVAILABLE FOR BOX TRUCKS!**







**Grab Handles** 



**Folding Shelves** 



Rear & Side Steps

VIDEO



Click here to watch a video of the parcel upfit solution in action.





## **President's MESSAGE**



Are you ready for another Peak Season? It's the perfect storm of holiday rush, supply chain disruptions and a seemingly never-ending customer demand for quicker service. So, here's my prescription for something to help you relieve the stress: Grab a beverage of your choice (I won't judge), put your feet up and spend the next 30 minutes reading the Fall issue of the Customized Logistics & Delivery magazine. Give yourself a 30-minute break from the chaos and you'll get practical tips on how to deal with all the craziness in the logistics world. You'll find usable strategies and tips for coping with upcoming changes, attracting and retaining top talent, making the most of your team, mobilizing technology, surviving Holidays 2021 and much, much more. All this practical advice will help you plan for 2022 and beyond.

In this issue you'll find:

- Transportation Industry Projections to Watch in 2022 on page 12
- Meeting the Challenges of Holidays 2021 on page 52
- Tech Trends for 2022 on page 34
- The Changing Face of Work on page 16
- Get Ready for the Challenges of Transporting Cannabis on page 54.

And before you jump back into the melee, mark your calendars for a way to get away from it all, reconnect with industry colleagues and learn a thing or two at the Final Mile Forum on February 23-25, 2022, in Miami. We're putting together a business-building program that will make those few days out of the office more than worth it.

Lastly, as we look at the final quarter of 2021, I want to take a moment in the midst of this chaotic year to remind you to renew your membership. You're not going to want to miss a minute of opportunities to grow your business; to keep up with the latest trends and to have a voice in the regulations that govern your business. It's easy and it's quick. You can do it all through our site and you'll be up for the challenges for 2022.

I wish you all the best of luck riding the Q4 rollercoaster. And remember to heed the words of the late, great Bette Davis, "Fasten your seatbelts. It's going to be bumpy ride."

Onward,

Steve Howard President

# **About CLDA**

#### CLDA OFFICERS/EXECUTIVE COMMITTEE

**PRESIDENT** 

Steve Howard

Esquire Express • Hialeah, FL

FIRST VICE-PRESIDENT

Jason Burns

Dropoff • Austin, TX

SECOND VICE PRESIDENT

Mark Cossack

Priority Courier Experts • Vadnais Heights, MN

**TREASURER** 

Errol Cvern

Select Express and Logistics • New York, NY

**SECRETARY** 

Charlie Wolfe

Blaze Express Courier Service • New Orleans, LA

**EXECUTIVE COMMITTEE MEMBER** 

Ralph Perrothers

On The Go Cargo, Inc • Carlstadt, NJ

IMMEDIATE PAST PRESIDENT

Chuck Moyer

ROVA • Franklin, TN

#### 2020-2021 BOARD OF DIRECTORS

Lorena Camargo, Director

Tim Cocchia, Director

Randy Edmonds, Director

Thomas Jowers, Director

Ben Kaplan, Director

Ruth Ospino, Director

Ralph Perrothers, Director

Kelly Picard, Director

Joel Pinsky, Director

CLDA Magazine is published quarterly by CLDA. Editorial, advertising, and administrative offices: CLDA, National Press Building, 529 14th Street, NW, Suite 750, Washington, DC 20045. Telephone: 202/591-2460. Fax: 202/591-2445. Copyright ©2020 by CLDA. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage and retrieval system, without permission in writing from the publisher. The material herein presented is for informational purposes only. A qualified professional should be consulted with regards to any specific, factual situation. Opinions expressed are not necessarily those of the publisher, editor, CLDA or its officers or directors.

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



# THIS SEASON GIVE YOUR COMPANY THE GIFT OF CLDA MEMBERSHIP

## It's the gift that lasts all year!

- » Network and develop new business connections.
- >> Take a seat at the table to shape federal policy.
- » Access exclusive products and services.
- Sharpen your leadership skills.
- Save with the CLDA Member Benefits Program

# JOIN TODAY! www.clda.org 202.591.2460

The Customized Logistics and Delivery Association (CLDA) promotes advocacy and education and provides networking and direct access to business opportunities for first and final mile carriers, freight forwarders, shippers, brokers and vendors.





# Government **Affairs**

By Michael Taylor, CLDA Government Affairs Director

#### Visit with Senator Mike Braun (R-IN) at Meyer Distributing HQ

CLDA members and staff met with Senator Mike Braun (R-IN) at the corporate office of his company Meyer Distributing on October 29. Joining us for this CLDA-organized visit were representatives of the ECA, A Delivery Alliance and the Transportation Intermediaries Association. This is a direct result of CLDA Government Affairs staff securing Senator Mike Braun as the special guest speaker for the Advocacy Fund Breakfast at the Final Mile Forum in June.

#### U.S. Department of Labor (DOL)

President Biden's nominee to run the Department of Labor's Wage and Hour Division is an academic named David Weil. The department enforces federal minimum wage, overtime pay, recordkeeping, and child labor requirements of the Fair Labor Standards Act.

Weil is a veteran of the Obama-era DOL and ran the Wage and Hour Division (WHD) from 2014 until early 2017. At WHD, he gained a reputation as a staunch opponent of gig-economy businesses like Uber. Unions generally approved of his record on employee classification issues, where we pushed hard against users of the Independent Contractor classification. However, the building trades unions found his enforcement of Davis-Bacon rules lackluster. Davis-Bacon pertains to the prevailing wage requirements which allow construction unions to maintain market share in the dozen cities where



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

If you have any questions on the CLDA **Government Affairs activities or would** like to become more involved, please contact Michael Taylor at michael@ clda.org.

they still exist in strength. The building trades believed that Weil did not press hard enough to enforce Davis-Bacon during his time at the head of WHD. Nevertheless, after a negotiation brokered by DOL Secretary Marty Walsh, the construction unions agreed not to oppose his nomination by President Biden, clearing the way for him to join the DOL once again and continue his efforts to reclassify America's independent workers.

Although Weil's path to installation at WHD has been smoothed a bit by Walsh's willingness to vouch for him with the building trades unions, Weil's nomination has been countered by Republicans on the Senate Labor Committee. They deadlocked on a vote to accept his nomination on August 3. Recently, Senator Joe Manchin (D-WV) has privately voiced concerns about Weil. The moderate Democrat's specific reservations were not immediately clear. Senator Manchin has indicated he has not decided whether he will support him or not.

Weil needs a vote by the full Senate to be released from the Labor Committee. He would then require two more floor votes to be confirmed. Republican opposition to his nomination is backed by consistent pushback from business groups. For confirmation to occur all 50 members of the Senate Democratic caucus would be needed, plus tie-breaking votes from Vice President Kamala Harris. Of course, this scenario is called into question with the revelation about Senator Manchin.

In a moment of positive engagement with the DOL, CLDA staff worked to draft an informal public comment which we offered to DOL as part of the Department's "Advancing Worker Equity at the U.S. Department of Labor National Online Dialogue." The DOL opened this up to provide a forum for discussion on how the agency can better foster equity in Federal Contracting, Enforcement, Outreach and Education, and in other areas. CLDA submitted a comment reiterating the value of the Independent Contractor classification to diverse communities in the US. We explained that the freedom to work as an IC

is an important part of fostering greater equity in the US workforce. Our comment received several upvotes from community members and was tied for the second-highest voted comment on the Outreach and Education portion of the platform DOL used for the online dialogue.

## Continuing Work with the Transportation Security Administration (TSA)

CLDA is organizing an industry briefing for the Congressional Air Cargo Caucus sometime between now and the end of the year. Advocacy to members of this caucus on behalf of CLDA's IAC members has presented an excellent opportunity to open doors into moderate Congressional offices. A briefing to the staff members for those who are a part of the caucus will be an excellent way for CLDA to build and expand its brand on Capitol Hill, generate interest and advocate for improvements to TSA policies and procedures. These have been a challenge for our members who intersect with the air cargo industry. This briefing also presents an opportunity for CLDA to engage some of our airline partners and demonstrate the value that involvement with CLDA presents to them.

#### Federal Advocacy

Recent Federal engagement has surrounded the issue of labor models, taxes, and commercial vehicle insurance. Since the end of March, CLDA has been a key member of several coalitions. We have joined with two coalitions working to fight the PRO Act – the Coalition for a Democratic Workplace (CDW) and the Coalition for Workforce Innovation (CWI). We were also serious contributors to a third coalition, led by the Owner-Operator Independent Drivers Association (OOIDA) that pushed back against a raise to the federally mandated minimum insurance levels for motor carriers. This would damage our members who rely on FMCSA-regulated trucking operators.

During early May, organized labor began a momentous push to pressure the Senate to pass the PRO Act. As a re-

minder, this act includes a California-like ABC rule which eliminates ICs for couriers and trucking. To defend against this effort, CLDA set up member meetings with key Senate offices that were still holding out on the PRO Act. We lobbied Senators Sinema (D-AZ), Kelly (D-AZ), and King (I-ME) to help push back against the PRO Act. We also held meetings with Senators Warner (D-VA) and Manchin (D-WV) on this issue. Our efforts, and the efforts of other groups on our side of this issue, were initially successful, as the PRO Act stalled out in the Senate, and is unlikely to move independently in that chamber.

However, the House Education and Labor Committee used the \$3.5 trillion reconciliation bill as an opportunity to attempt to do some of what the PRO Act was meant to accomplish via other methods. The most troubling items out of the Education and Labor Committee bill include a provision which would create new civil penalties (up to \$50,000 per violation) for a set of "unfair labor practices" (ULPs). These which would include misclassifying workers as Independent Contractors. We believe this is an alternative means of implementing restrictions on Independent Contractors. Making a mistake in classifying a worker as an IC when they really were an employee has never been considered an Unfair Labor Practice. Congress is attempting to overturn precedent set by the National Labor Relations Board in 2018 via the Velox case.

The bill would make it unlawful to "communicate or misrepresent to an employee... that such employee is excluded from the definition of employee." In other words, the law would make it a crime, punishable by a \$50,000 fine, simply to communicate to an employee that they are not an employee, regardless of intent. Business executives and directors could be held personally liable for these alleged ULPs.

We believe this is an attempt to use the National Labor Relations Act to scare employers away from using ICs. Even those business owners who work hard to achieve legal compliance will be taking an unjustifiable personal risk by using ICs. This would harm businesses by reducing their ability to scale their workforce to meet demand. Additionally, it harms the many IC drivers who strongly prefer the

flexibility and personal autonomy of self-employment.

The Education and Labor Committee markup text would also forbid the use of employee agreements designed to prevent class action lawsuits. The elimination of arbitration agreements will accelerate class action lawsuits against small and mid-sized businesses that are unable to fund them, thereby driving the businesses out of existence.

There are also tax provisions in the House Ways and Means Committee bill which we are opposed to. In addition to a corporate tax increase, there are revisions to estate tax law that would impact some CLDA businesses. Thankfully, the Ways and Means markup removes the step-up in basis provisions, which was the Biden administration's original plan. We strongly advocated against that change and are glad to see it was not included. However, there is a proposed reduction in the estate tax exemption from \$11.7 million back down to \$5 million. We have taken efforts to include this issue in our recent advocacy on the reconciliation bill.

CLDA and our coalition partners are keeping a close eye on all these provisions, and we have been lobbying hard to stop them, both in the House and Senate. We have held calls with most of the moderate leaning "Blue Dog" Democrats in whose districts we have a significant constituency. These include Rep. Tom O'Halloran (D-AZ-01), Rep. Charlie Crist (D-FL-13), and Rep. Brad Schneider (D-IL-03). We also met with friendly offices higher up in the House hierarchy on this issue, including the office of Rep. Henry Cuellar (D-TX-28), who addressed CLDA virtually at an Advocacy Fund-sponsored event last year.

In the Senate, our offensive on this issue has focused on the same offices we met with to defeat the PRO Act initially. This includes Senators Sinema (D-AZ), Kelly (D-AZ), Warner (D-VA), Tester (D-MT), Hassan (D-NH), Manchin (D-WV), and King (I-ME). We also met with offices, like Senators Mike Braun (R-IN), Tim Scott (R-SC), John Thune (R-SD), and Richard Burr (R-NC), to ask them to raise objections with the Senate Parliamentarian about this and other provisions in the bill. Ultimately, we believe that the new ULP provisions and the language hamstringing arbitration agreements in the bill are not passable via reconciliation. Even if they come to the Senate, the Parliamentarian will likely strike them from consideration. Considering the breakdown in the negotiation between moderate and progressive Democrats in the House and Senate, the \$3.5 trillion bill is being reworked and revised in scope. This may give us an opportunity to increase the pressure on moderate offices to strip the most harmful provisions from the bill as this is being done. We plan to continue our outreach in the House, and in coalition with other groups like the CDW, to stop this attempt to pass the PRO Act via reconciliation.

#### State Developments and Advocacy

CLDA Government Affairs staff continues to monitor legislation in all 50 states for both threatening and positive legislation. The situation in priority states is also shifting over time. In California, the partial enjoinment against AB5 was overturned when a 9th Circuit panel ruled in a two-to-one decision that the preliminary injunction against AB5 was not proper. Their reasoning was that AB5 was not subject to FAAAA preemption, as it was a law of general applicability, not one specifically targeting trucking. Therefore, its impact on prices, routes, and services was peripheral to its general purpose. This threw an unfortunate wrench into the works for the California Trucking Association's legal challenge to the AB5 legislation. However, CTA has not given up the fight. They are requesting an en banc review of the decision by the 9th Circuit. This could result in a panel of judges reviewing the decision. If the 9th Circuit declines the petition for en banc review, the CTA could file a petition for a writ of certiorari that would take the case all the way up to the U.S. Supreme Court.

The Cal Cartage case, however, which dealt with similar issues to the CTA case against AB5, has reached its conclusion. The Supreme Court has denied cert in this case despite much support from trucking associations across the country. With Cal Cartage's appeal now resolved, the response to CTA's petition for cert is expected by the end of October. This would likely determine the applicability of AB5. In other California related news, Prop 22, the ballot measure sponsored by Uber and Lyft to effectively sidestep AB5, was struck down in California Superior Court in late August. Uber and Lyft have appealed the decision and it will no doubt continue to be litigated for the foreseeable future.

In New York, State Senator Diane Savino put forward a bill which would have given gig workers the right to join a union but stopped short of labeling them employees. CLDA and several coalition partners met with Senator Savino earlier this year to discuss the issue of IC classification. It seems her bill was an attempt to balance arguments from both sides. It tried to balance the need to protect gig workers with the need to preserve the IC classification for those who are truly running their own businesses in industries like logistics or construction. Senator Savino's draft bill lost momentum after key gig worker advocates, and even the Transport Workers Union, came out in opposition to it.

However, in New York City the City Council has now passed a suite of six bills intended to provide "protections" for gig economy workers. These initiatives from the Council institute minimum payments for gig workers, set standards for how they must be paid, mandate that delivery apps force restaurants that use their platforms to give delivery workers bathroom access, enforce transparency in regards to gratuities, and force delivery apps to give each food delivery worker the ability to specify the "maximum distance per trip" that they are willing to travel, and to refuse "trips over bridges or tunnels." CLDA

Look for more updates on all of the activities of CLDA advocacy and government affairs efforts through the monthly CLDA Express and via communications from CLDA Government Affairs Director Michael Taylor at michael@clda.org.

# Transportation Industry Projections to Watch in 2022

### SPOILER ALERT - technology plays a critical role

We're closing in on the end of 2021 and can all agree to one thing: it was a doozie of a year. The pandemic touched every part of our lives and we are still waiting for the fallout of what that means as we move into a new year. Of all the changes, one of the most consistent has been the pivot from brick-and-mortar shopping and dining to relying on the technology to order and have delivered to our doorstep anything we could want or need.

In some ways, it has never been easier to have takeout, groceries, prescriptions, pet food, or anything else delivered directly to our homes. Yet, we've all experienced the downside of this burgeoning at-your-doorstep lifestyle – shipping delays, items out of stock, or orders suddenly cancelled due to a lack of resources in the supply chain. We've created an extreme demand for this new way of living and consuming so quickly that the supply chain is struggling like never before to keep up.

By Rob Slack,
Industry Relations Executive at Openforce

It's become even more critical that we lean into working with independent contractors (ICs) to keep up with the demands of the new normal. Finding and retaining quality ICs have always been top priorities for logistics companies, but that has been magnified exponentially since March of 2020. As we review the hot button topics facing the transportation industry at this moment, and anticipate projections for 2022, we face a lot of uncertainty. One thing we needn't wonder about? Technology plays a massive role in righting the supply chain ship, despite a relentless concentration on compliance at every step.

#### **Projection #1: Transportation and technology are perfect partners.**

Just as people in their everyday lives are relying more on technology and making purchases via apps instead of at the checkout counter, transportation companies are starting to realize how investing in tech, or better tech, will set them up for success during these unprecedented times. Their customers, underwriters, and investors are making new tech investments, and logistics companies have no choice but to improve their management platforms in order to compete.

Expert industry veterans are expecting logistics companies to focus on integrating systems and using full-service TPA offerings equally (both coming in at 40%). Another option, though it comes with greater cost and potentially less domain knowledge, is to hire additional in-house technology staff (20%).

#### **Projection #2: Survival depends on rate increases.**

COVID has created such capacity demands that, for the first time in 50 years, companies are publicly acknowledging they will not take on new customers. And if they can take on new customers, it comes with a cost: For the foreseeable future, rate increases will become necessary for transportation companies to survive.

For example, pricing structures within the courier and express delivery service segments have seen price increases of nearly 10% in the past year because of strong market demand (2021 Premium Report on Couriers & Express Delivery Services).

Rate increase discussions are happening everywhere, but there is not yet clarity on what they mean for retailers and carriers. But one thing is certain, increased delivery rates will propel inflation to even higher levels.

More than half of respondents (55%) to Openforce's polling note they will increase their cost, with 44% doing so to eliminate low-paying customers and 11% citing they must increase prices or risk going out of business. Interestingly, those that will not increase their rates come at it from different points of view, with 22% noting they don't need rate increases because they will inherit customers from competitors that do. An equal 22% say they will lose customers if they increase their rates. Respondents reported that their customers' biggest concern about rate increases was that the carrier maintains pre-COVID, on-time delivery percentages. They also said that rate increases have caused some customers to leave for lower-cost providers, sacrificing on-time performance.

#### **Projection #3: We aren't past the driver shortage.**

The transportation industry has become a first-responder, yet we don't have the drivers needed to make all the necessary deliveries. COVID, ride share services, capacity, compliance requirements and even Amazon have been cited as the most complicating factors of the driver shortage. Add to that the fact that large swaths of drivers are nearing retirement without younger replacements interested in signing on and our shortage concerns get even graver.

Day-to-day operations managers had already been focused on the driver shortage, but have made it their top priority moving into 2022 as they are competing with one another to hire the drivers and ICs that are available.

Data shows what we can expect and should plan for in the future if the trend keeps going in this direction. Research conducted by the American Trucking Association has revealed the following:

- Currently, the American Trucking Association estimates the driver shortage to be 63,000, creating challenges for most, if not all, transportation companies.
- Looking ahead, we should expect a shortage of 105K drivers by 2023 and 160K by 2028.
- With 81% of domestic transportation tonnage being handled by truck, and a 36% increase in total tonnage from primary freight shipments (from 14.6B in 2020 to 19.9B in 2031), shippers are scrambling to find drivers to deliver this massive volume of tonnage.

Openforce's recent polling shows that recruiting is one of the biggest transportation industry challenges. However, these organizations are beginning to shift their focus to adopting driver sharing for route density and partnering with third parties for attractive benefits. There is no indication that expedited delivery companies plan to adopt a W-2 workforce model.

# Projection #4: The IC driver business model will continue to thrive despite legislative threats

The recent shift in the political landscape means that transportation companies that utilize an independent contractor workforce need to shore up their business model. Any new legislation can present challenges, but that will not stop most transportation companies from utilizing a 1099 workforce.

Although the Protecting the Right to Organize (PRO) Act was passed by the House of Representatives on Feb. 6, 2020, it was never passed by the Senate. President Biden has been a vocal proponent of the PRO Act, but Blue Dog Coalition members are concerned that the codification of the ABC test would be a huge economic problem for their constituents. While the future of this legislation is unknown, in a recent poll, Openforce found 70% of respondents expect to be using an IC workforce in five years, despite legislation such as AB5 and the "ABC test."

For transportation companies to remain successful despite legislation, they will need to focus on changing their business model to meet the compliance elements born out of any legislation or court ruling. They will also need to concentrate more on 1099 workforce compliance, which Openforce's research indicates they plan to do. A full third of respondents (33%) are planning to implement a new tech platform to help manage their 1099 workforce with another third (33%) also considering driver sharing programs that helps ensure IC drivers are generating multiple streams of income, which leads to clearer compliance.

#### **Projection #5: Insurance is the future of transportation.**

People are willing to raise their hands to say "sign me up as a driver!" but do they have what they need to not only succeed for themselves, but remain in compliance for the companies they contract for? Drivers have to be vetted, compliant and insured. And not just for themselves; their cargo, their vehicles and those that they interact with when driving and delivering. Without meeting these requirements, risk is introduced which increases insurance costs for everyone.

Insurance is not a guarantee for any IC. It's time consuming to deal with. It's an extra cost, and it's not always top of mind to secure the right insurance coverage. ICs are their own business owners, so the only protection they have is what they choose to take on for themselves. Insurance is an "all boats rise in the tide" situation. Improperly insured drivers cause all logistics insurance rates to increase. This means that both transportation companies and ICs alike need to be educated on the importance of removing risks through insurance. Insurance in the transportation industry is still a gray area with issues to resolve, especially deciding on the fiscal responsibility for proper insurance. Typically, inexperienced drivers have higher insurance rates. And we already know that many drivers are retiring, leaving it to younger individuals to pick up the slack. So, who pays the difference?

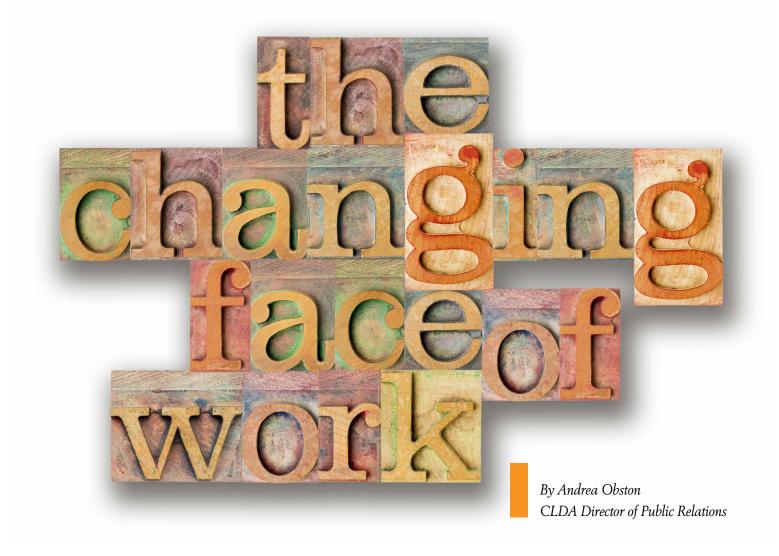
The reality is not all transportation companies are compliant with insurance, which is reflected in pricing to the customer. If all transportation companies were locked down and compliant, all RFPs would be more steadied across those competing, and retailers would not be forced to raise rates so substantially to consumers.

Being locked in to long-term expensive insurance policies can be a big hurdle for independent contractors, which is why insurance providers need to offer coverages that are affordable and flexible, with convenient options that have no individual underwriting. ICs should have the option to pay premiums based on the work performed, so they are only billed for settlement periods for which they have provided services. Most insurance carriers are slow to gravitate to this concept, but there are a few forward-thinking carriers that are moving the concept forward and will, hopefully, inspire the rest of the industry.

This is a tough time for the logistics and transportation industry. Yet, business owners, operations managers, dispatchers, drivers, and supply chain labor continue to show up and work diligently to keep our country and our local communities moving forward. Now more than ever, we need to support our ICs through education and benefits to keep their businesses – and our collective economy – thriving. Technology must be a focus for transportation companies in order to manage their daily operations and mitigate risk. The massive challenges our industry faces are felt by all of us, which means that the only way to get by them, and create an ongoing and profitable balance between supply and demand, is together. CLDA



Rob Slack is the Industry Relations Executive at Openforce, the leading software technology platform for managing commercial relationships between contracting companies and their 1099 independent contractor (IC) workforce. He can be reached at rob.slack@oforce.com



What will work look like for those in our industry in 2022? How will we cope with a broken supply chain, an overburdened workforce and frantic consumer behavior?

CLDA Magazine asked business advisor Pete Winiarski to pull out his crystal ball and give us some predictions.

Pete led a discussion of virtual teams at the CLDA's Executive Leadership Summit in October based on his experience as Founder and CEO of the business consulting firm, <u>Win Enterprises</u>. The company's team includes business consultants, mentors, and advisors that help remove the barriers to high performance and optimize their clients' people and processes.



# he reality is supply chains were already fragile well before COVID. It just was not mainstream news..."

#### Top Three Issues for Logistics Providers

Winiarski identified three, intertwined issues that will shape the face of work for those in our industry in 2022:

- Coping with a broken supply chain
- Dealing with erratic consumer behaviors
- Getting the team right

#### Hello Broken Supply Chain

Last-mile providers are often at the tail end of a broken and bruised supply chain. "The supply chain is still broken in places and that's what those in the last mile have to cope with," said Winiarski.

The recent situation in the Suez Canal may have been a wake-up call for consumers, but its impact came as little surprise for people in our industry. Most are painfully aware of just how fragile the supply chain is. Just-in-time is ideally an outcome of excellent and high-performing processes. The shift to just-in-time inventory from suppliers means everything in the supply chain must deliver on time and no later, even if those suppliers are an ocean away.

And when COVID hit, that added another layer of instability and unpredictability, as lockdowns meant consumers couldn't or wouldn't leave their homes. "The reality is supply chains were already fragile well before COVID. It just was not mainstream news," said John Inwright, Retired CEO for Wendy's Quality Supply Chain Cooperative in his blog post "Broken Supply Chains."

Anyone who's played the child's game "Crack the Whip" on ice knows what it's like to deal with the magnified force when you're at the end of the "whip."

That's exactly where many last-mile providers found themselves in 2021. And 2022 promises to be more of the same.

#### **Erratic and Overly Reactive Customer Behavior**

Customers' reactions to shortages were erratic and emotional. Panic buying at the prospect of running out items (think toilet paper) intensified the impact of supply chain issues. "Customer buying behavior is still fragile," said Winiarski. "Now there's at least a little bit of pendulum swing back to the middle, but it still hasn't recovered. Before, it was challenging enough to deal with consumers' escalating passion for on-line shopping, but there was a predictable transition. But when you layer on the hang-over from COVID it brings consumers and carriers to the edge. I don't think you're ever going to see the return to physical brick and mortar stores that you had before and that means an increased demand for home delivery."

Supply chain disruptions are going to have a lingering effect on consumer behavior and that will put escalating demands on last-mile delivery providers in 2022, Winiarski predicted. "Supply chain shortages and disruptions will create more and more need for expedited deliveries, which, of course, is what customized logistics and delivery providers do best. I also believe that those shortages are going to lead people to want things delivered faster as they worry about not being able to get what they want, when they want it. Before, customers might have been okay with a delivery in a week or two. Now, they are saying 'I need it today or tomorrow.' People are ordering more because they have lost faith in the performance of the supply chain. So instead of buying a four-pack of toilet paper, they'll order ten four-packs."

This behavior means capacity challenges for carriers, which is exacerbated by the current labor shortages. "Last-mile providers are getting into situations where they need extra capacity and flexibility, but finding those people is tougher than ever," he says. "Carriers may have the trucks they need for the deliveries they have in the pipeline, but not the people to drive them. Or the people in the warehouse to pick the products."

The result is that everyone is stretched to the limit. Managers don't have enough time in the day and employees and drivers are working more hours than ever. "When there are staff shortages, managers are asking employees to work overtime, frequently on short notice. This drives up labor costs and ultimately means they'll need to raise rates," says Winiarski.

This leads to the third critical issue carriers will face in 2022 – getting the people-part right.

#### Getting the Team Right

Responding to the increased demand for more and faster deliveries will put an increasing demand to get the right team in place when you need them, said Winiarski. "There's a need to get more staff and drivers on board quickly, and to ask more of your whole team than ever before."

The need for overtime hours will inevitably put a strain on workers, he points out. "Watch for stress and burnout," he advises. "Yes, those workers are getting paid for the extra five hours of overtime, but it's still an extra burden on them and on the management side. Managers are saying to themselves: 'How the heck are we going to get this done? I don't have a team. I have customers yelling at me. I need to respond.' That's why you need to watch for overwhelm, burnout and stress."

An overtime request here and there is something team members can deal with, but when it becomes a constant demand, that's a different thing. "If you stack up seven 16-hour days without a break, that begins to wear on team members," Winiarski points out. "It's a lot different than two or three 16-hour days. People typically take breaks in between, but in today's world, the breaks in between are disappearing. That will have a long-term effect on both managers and workers."

#### The Need for Change

In 2022, many will look for ways to make their processes more efficient and increase productivity. "Those who are open to change will prosper in this environment," he says. "Those who embrace change management techniques will be able to bring their teams along and move through these challenging times."

Change management techniques help smooth the road for employees. "If you don't manage change well, employees will be reluctant to embrace new ways of doing things," says Winiarski.

Great communication is a skill every manager must develop, especially during times of disruptive change. "A manager's job must include excellent communication; not only about what you're doing, but why you're doing it. And they need to get those who have to deliver on that change involved in the process, instead of just dropping it on them."

The conversation might go something like this: "Our customers are telling us that our on-time deliveries are slipping. I know each of us has more to do today than ever, so we need to look for ways to be more productive with our time. That means that the way you are doing your job could be different. Help us figure out a



here's a need to get more staff and drivers on board quickly, and to ask more of your whole team than ever before."

better way." What you're looking for here is buy-in and that comes from explaining the "why" of the change.

Winiarski illustrated the point by focusing on one team member, a hypothetical warehouse manager. "Let's say I'm in the warehouse. I've been working for 10 years, and I know how to do my job. And then my manager comes to me and says, 'Here's this handheld thing that's going to make your job easier.' I'm probably going to resist. Maybe, just because it's different. Or, I may take it as an insult because you're implying the way I've been doing my job is not good enough. Or I may resist because you didn't tell me why you're making this change. You just said, 'Here's the handheld thing – go!'"

Contrast this with a manager who explains that the company is making the change because it's what the customers want. Or they say, "I see this as a path that makes us better and makes your life easier. Could you try it out? Could we run it as a pilot and get your feedback on how it works and how you'd suggest we use it?" That opens up a dialog and sets the stage for acceptance, because that warehouse worker is now involved in making the change. And probably can suggest ways to make that change go smoother.

#### Management Skills for 2022

According to Winiarski, the overriding principle for the 2022 manager is this: "Look for activities that will make you more productive and more profitable. That's especially important in this tight labor market. If you can improve your productivity by 20%, you may be able to hire 20% fewer people."

Here are the skills he predicts managers will need in 2022:

Get comfortable with remote work – Remote work is here to stay, so Winiarski says it's time to stop waiting for things to go back to where they were. "Managers need to make peace with the fact that some form of remote work is going to be part of the mix," he said. "I

expect most companies to gravitate towards a hybrid model. There will be days when everyone has the option to work from home. And there will be days when some people need to be in the office to work through issues and come up with ideas together. There is a higher level of efficiency when that happens. It can mean that something gets done in 30 minutes rather than 60."

He pointed to a presentation at the Executive Leadership Summit by Sean Spector, Founder/CEO of Dropoff. His company has adopted a hybrid model where the whole management team is in the office on Wednesdays for a morning update. Dropoff managers can choose where they work the rest of the week.

"The key here, and with all remote work, is developing a really excellent level of communication," he said. He pointed to a recent incident in his own office that illustrates why this is important. Winiarski was working at home and two of his team members were in the office. "We had a session set up for 3:00 o'clock which I thought was remote. They were thinking I'd come in for it. They got in touch at 2:00 to ask when I was going to get the office. By then, it was too late for me to make it in and get back home for another meeting. Nobody was right or wrong in that scenario. Had we been clearer about the need to meet in person, even the day before the meeting, that wouldn't have happened. It's all about better communication."

Plan for slower decision making – Winiarski pointed out what many have already experienced: because people are working from different locations, decision-making is slower. "You must account for this. When decision-making slows down, the pace of progress in your company will be impacted. Conversely, if you can speed up your decisions, you accelerate the rate of progress. Knowing this makes it especially important for managers to understand the communications styles and preferences of each member of their teams. It impacts how a manager communicates with them, and how they hear and interpret what is being said or asked of them."

# f you don't manage change well, employees will be reluctant to embrace new ways of doing things"

One person may feel they can only work on a project after knowing all the details, including the "what" and the "why" of the task. Another might say, "I've got the general concept. I'm good," and they are off and running with a general description of a project. You, as the manager, need to understand the various preferences of the people on your team," he says. "And you need to know how to adjust your communication style so that the needs of the team are optimized."

Establish the rules – With increase flexibility on where and when people work, guidelines and rules are even more important. "If you're a manager who believes that in-person meetings are more efficient than remote, say it," he advises. "Or if it's just a matter of figuring out how to structure the remote meetings to be as efficient as possible, open that up for discussion," Winiarski says.

He points out that rulemaking is especially important in remote meetings. "On-line meetings encourage people to split their attention," he points out. "People who wouldn't check their phones or catch-up on their emails during an in-person meeting have no problem doing that during a remote meeting. I've become aware that people are working on other projects during remote meetings. Zoom (and other platforms) doesn't exactly encourage that, but it certainly doesn't discourage it. To combat that, meeting participants need to agree on the meeting norms. For example, the person running the meeting may need everyone's full attention for a critical decision. They might start the meeting this way: 'We've got an hour here to discuss and make this decision. I'm asking for you to shut down all screens and pay attention. Can we all agree on that?' If that happens and someone is disengaged, the manager should point that out. And if someone has to step away to handle an emergency, they owe it to the team to say something like, 'Do you mind giving me a second? I have to step away to handle something. I'll be right back.' If you

don't establish the rules, you don't define the culture and the culture will evolve and you may not like what it becomes."

Communicate the Reasons for the Change – Although this is critical to survival in 2022, it's really not new. "Communicating the need and reason for change is not unique to 2022," says Winiarski. "It's always been an important attribute of good change management practices, but it will be especially critical in the next 12 months as businesses make more changes to adapt. And, companies that may not have practiced good change management will need to pay attention and use their energy to get comfortable with it."

#### 2022 – The Year of Recovery

Winiarski points out that the setbacks caused by COVID put a halt to the natural evolution of companies. "With COVID, companies did the best they could just to cope," he says. "They lived with what they had. Now that they are coming back to some degree of normalcy, they are seeing the need to upgrade their processes, but they are not sure how. They are saying 'We need help.' Service providers like my firm are busier than ever. Companies are bringing in outsiders to help because they don't have the skillset to reimagine how they do things. Or, they simply don't have the capacity as they're already overloaded with day-to-day responsibilities. Certainly, anyone involved in the supply chain feels that burden."

Winiarski leaves us with a positive message. He shares that change is a constant and says it's up to you to decide if you interpret change as something to fear and resist, or to get excited about. Those managers who teach their teams to enthusiastically embrace change will get results more quickly and will create a more satisfactory experience. CLDA



### Are you ready to be a leader in the industry?

Lead In Culture:
Pearl is a recipient of the
2021 Community Leader
Award by NAWBO

Lead In Service: 100% Delivery Scanning Success using CXT's Driver App

Lead In Innovation:
Pearl now provides critical
healthcare deliveries through
their brand, CryoCourier



"CXT Software has powered our business for the last 10 years.

Over that time, we've grown our business in many ways because of them, and we continue to grow!

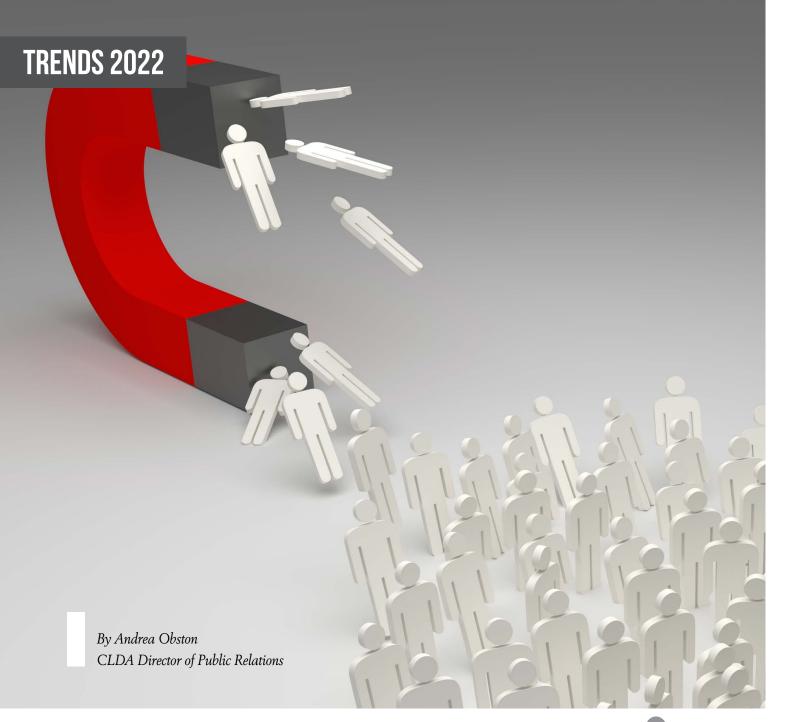
In the past year alone, we've expanded into new verticals and opened up a new territory office.

The team at CXT Software powers all of our backend operations and allows
us to focus on what we do best... providing a best-in-class logistics service."

Learn More At PearlTrans.com

Get A Demo At CXTSoftware.com

Read The Full Case Study At CXTSoftware.com/Pearl



# Attracti Talent in 20

# The workplace will not return to 'normal' It's time to focus on the Now of Work and prepare for what's next.



That's the way business advisor Jennifer McClure summarized the environment for attracting talent into the new year. McClure is the Founder & CEO of <u>Unbridled Talent</u>. She ran a workshop called "Leading Workforce Transformation in a Post-Pandemic World" at

the Executive Leadership Summit in October.

"If you want to bring in and keep talent you must think of employees as essential customers. You must understand their needs to help them along their journeys and enable them to succeed in the future," she said.

For companies that want to build a strong and enduring team McClure advised that they understand what their employees care about beyond pay: "I know many CLDA members are privately-held businesses and that you don't have teams of people that focus on health, well-being, career development or providing meaningful work. But these are things that someone in your organization needs to take charge of if you want to attract and retain top talent."

## FOCUS AREAS TO ENSURE YOUR WORKFORCE THRIVES

McClure outlined six areas of focus to meet employees' expectations:

- Pay and benefits
- Work-life balance
- Flexibility
- Diversity and inclusion
- Upskilling and re-skilling
- Well-being

**Pay and Benefits**—While not the only issue, McClure acknowledged the importance of pay and benefits. "I know these are big issues for both your employees and your drivers," she said. "Because of the low unemployment rates, we have now, certainly pay can be an attractor. It's a competitive marketplace out there."

The need for competitive pay and benefits is not new. She recalls the role it played in her early career in HR for manufacturing companies. "When I was an HR leader, people would literally quit and go across the street for twenty-five cents more an hour," she said. "That mentality is still there and nothing's wrong with that. Those are people who may be living paycheck to paycheck so that quarter more an hour, makes a difference. But it's not the sole reason people join, stay or leave an organization. And its importance varies by generations. According to a recent survey, competitive pay and job security are the most important factors for Baby Boomers (those born 1946 to 1964) and Gen X (those born 1965 to 1980). But for Millennials, job security and professional development are the top factors."

She suggested to Summit participants that they talk to both employees and the ICs who work with them to find out what is really important to them. "Have you really taken the time to talk to the members of your team? Or those who you've interviewed that either didn't accept your job or ghosted you? Or those who took a job somewhere else? What about talking to some of your people who have left? I'm guessing you will be surprised at what you hear. You really need to understand why people are choosing the jobs with your company. And why not," she said.

She also suggested to Summit participants that many employers don't do a good job of reminding team members about their benefits. "Communications plays a key role in helping employees understand that they are getting more than their base pay," she said. Only 52% of employees say their company does a good job of explaining all that's involved in their compensation, according to the Global Workforce Study by Towers Watson. "Companies don't remind their team members about the quality of their benefits package," she said. "You need to communicate the true value of what you offer employees. Think of it as a marketing exercise where the employee is your target audience. You need to hire people to work in your organizations, and it's a difficult task to do right now. So, you've got to put on your marketing hat. Ask yourself, 'What does my customer - the job seeker or employee - want? How do I tell them that I have it?' Too often, you're not communicating the full value of what you're offering to your team members." McClure checked the websites for those in the industry and found them lacking in this area. "If I look at your websites, a lot of them talk about your company history. They talk about leadership and your commitment to customers. But you've got to start crafting that commitment to your employees. That needs to be out there on your websites and on your job postings and in all of your communications to members of your team," she said.

Work-life balance – While pay is always a motivating factor, most workers value work-life balance over a competitive salary, according to a study by Shiftboard in their "State of the Hourly Worker Report." Seventy-seven percent of those in the survey ranked work-life balance ahead of being well-paid (66%).

"The truth is that what's really driving people now is the work-life balance issue," McClure said. "That's been the

thing that the privileged few have had access to in the past. Salaried workers and some who reached a certain stage in life have been able to pursue more of a work-life balance. And these were the people who had the flexibility to do those things. But today hourly workers and independent contractors are also interested in being able to balance work and life. All of us want more out of life than just work. So, is pay important? Sure, but so is a good working relationship with the boss and so is working in a place nearby and enjoying the tasks and activities that workers perform. It's about meaningful work, as well as meaning outside of work. That's also part of the work-life balance many workers are looking for."

She urged those interested in attracting high performers to do a better job emphasizing these issues in their job descriptions and job advertisements. She looked at some of the postings by people in our industry and suggested they go beyond the basics. "Your job descriptions and postings are short and to the point," she pointed out. "They say 'Drivers needed. Must have a driver's license, be 21 years old and be drug-free.' There's nothing there that entices someone with the job. There are thousands of these ads on places like Indeed.com. People are looking at them, and they are making choices. What will make them choose you? These quality-of-life issues should be a part of your job descriptions. They should be highlighted as you're advertising to attract people into your workplace."

*Flexibility* – "Flexibility is the real issue for attracting workers," she said. "It's not work from home or remote work or hybrid work. That all rolls up under flexibility. What people are looking for today is flexibility. We all had forced flexibility during the pandemic, and we all got a taste of it. If we learned anything during the pandemic, it's about flexibility and the importance it has for all members

You need to communicate the true value of what you offer employees. Think of it as a marketing exercise where the employee is your target audience.

# Well-being is connected to how those in your organization connect to their workplace. It's a huge driver of engagement and retention.

of our team. People want to work how, where and when they want."

She cited conversations she'd had with gig workers from grocery delivery services and rideshare companies. They told her that it was the flexibility that they valued most in their jobs. For example, she had a conversation with one gig worker, an Instacart delivery person. She asked her about the job and if she liked it. Here's what the woman told her: "I have to spend an hour picking groceries and driving somewhere and by the time you add it all up, the money's not that great. But I do this because I had to choose a job where I could set my work schedule around my kids instead of having somebody tell me when I had to work."

McClure describes flexibility as "the new frontier in terms of hiring and retaining talent." Citing Uber drivers as an example, she asked Summit participants this question: "How are you thinking about developing a system that allows people to work for you when they're available? I challenge you to think differently than what you've done in the past."

She urged those at the Summit to "...open up your mind to the prospect of flexibility. Don't get bogged down in the discussion about remote work or hybrid work. I would challenge you to continue to think through that again and again. It will be an adjustment. It will challenge your leadership and your people's leadership, but you should be thinking about workplace flexibility if you want to get and keep the best people."

**Diversity** – Establishing a commitment to diversity and inclusion is a key to attracting and retaining talent, and demonstrating that your company is an open and welcoming place for a diverse workforce. This will become

even more critical in the attracting and recruiting people into your workplace. Eighty percent of people surveyed in the Deloitte Inclusion Pulse survey say inclusion is an important factor in choosing an employer and 72% say they would leave an organization for a more inclusive one. "Many in a leadership role today grew up with an 'affirmative action' mentality. It was all about the numbers. Today, it's much bigger than that. It's about people feeling like they belong. It's not enough just to put that little statement at the bottom of your job postings that says you are a diverse and inclusive employer. Yes, people need to see that, but more importantly, they need to feel it. It's important that you make sure that you're doing it right to attract and recruit the talent that you need and to retain the employees that you want to keep," McClure said.

As a framework to understanding this issue, McClure cited key concepts from LaFawn Davis at Indeed.com.

Diversity = Representation/reflection of global communities in which we operate

Inclusion = Actions and behaviors we take to create a culture in which employees feel valued, trusted and authentic

Belonging = a feeling of community with the people and environment that makes us feel connected.

"Belonging is the word that's really coming into the forefront now because it incorporates diversity and inclusion," she said. "It's about a team member feeling like they are being seen at work for who they are. People need to feel like they belong in your organization."

She challenged those at the Summit to make the business case for diversity, equity, inclusion and belonging in their companies. She emphasized that this would mean creating a strategy and, most likely a financial commitment.

"Nothing that is valued and important in a company gets done without a clear strategy," she said. She reminded the group that making that commitment will have clear, bottom-line outcomes: "Customers are looking for that. They are evaluating vendors and choosing those that demonstrate they really value and respect people. So, if you don't have an actionable, data-driven specific strategy in place to do that you'll need to make that part of your planning for 2022 and beyond."

*Upskilling/Re-skilling* – McClure pointed out that many workers and ICs are looking for viable paths to the next level. And that companies that support those career choices actually retain more of their workforce.

She was on a panel on workplace issues with a vice president for talent attraction for an organization that hires restaurant delivery drivers. Someone from the audience asked about the most important thing for the people he was recruiting. Here's what he said: "Years ago I would have told you it was pay. Now it's career development. They want to know what their paths might be; where they could go in the company and what skills the company helps them develop."

This interest in career opportunities applies to both employees and drivers, even if they are ICs. "Many members of your organizations are interested in bettering themselves in some way," McClure said. "What are you doing to give both these people a path forward? What are for doing to help them develop to be the best version of themselves? That goes back to the concept of treating employees as customers."

McClure acknowledged that many at the Summit worry they'll develop an employee who will take those skills somewhere else. "Yes, that happens," she acknowledged. "But you need to be thinking about how you can develop them so they will stay. And you need to think about how you'll attract others who see the development opportunities in your company."

She suggested that an effective way to attract new team members is to showcase those in your company who have moved through the ranks. "I'm sure you have people in your organization who have been with your company for a long time. The real opportunity there is not to talk about their years of service but to highlight how they advanced over those years. You have people who started out as drivers, became dispatchers and now hold management positions in your company. That's because you offered them a path to grow. That's something that can be very attractive to a potential employee. To attract and retain talent, you should be emphasizing this in your recruitment ads and on your website," she said.

She pointed out that often it's the mid-level supervisor and frontline managers who aren't getting training to develop new skills. "These are the people who deserve all your best investment in growth and development in soft skills, leadership skills and communication skills," she said. "Often these people have the technical skills. It's why they're in those jobs. But management fails to invest in the soft skills that would help them become better leaders."

She urged Summit participants to set aside money in their budgets to develop leaders in their companies. "Make sure they grow and then think about how you'll measure them and hold them accountable for that growth. It makes a huge difference in terms of retention," she said.

Well-Being - Well-being has become an important issue for many in the workforce, especially since COVID-19, said McClure. And she expects it to continue as a key factor in attracting and retaining talent. "People are looking at this issue when they select a place to work. It's also taken



on increasing importance for those who consider leaving a company where they don't feel safe or where they don't feel that their safety and health is prioritized," McClure said.

She pointed to 12 factors in the workplace that drive a feeling of well-being. They are:

- Belonging
- Energy
- Appreciation
- Purpose
- Achievement
- Compensation
- Support
- Learning
- Inclusion
- Flexibility
- Trust
- Management.

McClure urged Summit participants to look over the list and consider adding these to their job descriptions and job postings. "These factors are what people really want in their workplaces," she said. "It's not just the younger people who care about these issues. It's the retirees that many of you want to attract to your companies and even mid-career folks. People want to feel like the work they do matters and that they matter about more than work. So, pay and benefits, flexibility, diversity, inclusion, upskilling, reskilling, and well-being are all important."

She concluded these remarks with two questions:

- "How can you take action to make work meaningful and help your employees feel connected to your company?
- How can you connect people to the purpose of your organization?

"Well-being is connected to how those in your organization connect to their workplace. It's a huge driver of engagement and retention," McClure said. "Employee engagement improves when your people understand your company's mission and purpose, and when it feels personal to them. It also increases profitability in companies and decreases turnover. That is the hard work of leadership, getting members of the team to feel connected. For example, if you're delivering medical supplies, how are you helping your drivers feel that the medical supplies they deliver today are really critical to keeping people alive; to helping people feel safe; to improving the quality of their lives?"

#### GOING BACK TO THE WAY THINGS WERE

McClure challenged those at the Summit not to go back to doing business the way they did before the pandemic. "Workers are afraid that they're going to lose the flexibility they've gained over the last 18 months. It's one of their biggest concerns," she said "That fear has intensified as more and more employers talk about going back to the way things were. Don't go back to the way things were unless you were unable to operate over the last two years. If you've been able to operate under the new conditions, I'd like you to think before reverting back to the way things were."

She urged Summit participants to listen to employee issues and to reflect on the lessons of the pandemic. She challenged participant to take those lessons to heart and reimagine the workplace in response with the goals of attracting and retaining employees. CLDA

Want to attract and retain people who can bring your business to a new level? CLDA members can take advantage of an Association benefit that offers them a low-cost way to build a diverse and inclusive culture. Through our exclusive partnership with <a href="Everfi">Everfi</a>, CLDA members can train up to three team members for free in building a diverse and inclusive company. One that welcomes and keeps high performers.

The sign-up period is now open. To build your workforce and attract new talent, sign up today and train your first three team member for free.



### With more control over your benefits than ever before.

Owner operator drivers can now get individual benefits as good as a company group plan, at better prices! And your independent contract drivers gain access to a marketplace of products to help their business succeed while fortifying your legal requirements.

Enroll your company and your contractors today for guaranteed issue personal insurance plans, valuable services and discounts. **Stay in the fast lane with BizChoice CLDA Benefits.** 

Call & Enroll Your Contractors Today 800.852.1968
Full Program Details Visit bizchoicetransportation.com









Final Mile Forum & Expo MHM, +LUKUUH

February 23-25, 2022



B2B B2C • Be Prepared





By Andrea Obston CLDA Director of Public Relations Ask anyone what they expect when it comes to building and maintaining a workforce in 2022 and their answer will probably be, "Pull up a chair. This is going to take awhile!" etween escalating consumer expectations, driver shortages and a sizzling job market, most in the industry are feeling the pressure of keeping a workforce in place to meet demand. And 2022 is shaping up to be more of the same.

We asked two logistics pros, Melanie Rodgers and David Hardy, what they expect and how they'll be handling it in 2022.

Rodgers is the Vice President of <u>Richmond Express</u>. The Richmond, Virginia-based company handles on-demand and routed deliveries for all types of businesses in Virginia. Her 24/7 company uses an employee model. In 2021, Richmond Express held steady on staff and drivers. They don't expect to add any staff members in 2022 but do expect to expand their driver pool next year.

Hardy is the Chief Operating Officer for <u>Bonnie Speed</u>. The Cleveland-based carrier is a full-service 24/7 logistics company that uses cars, vans, sprinters, box trucks and tractors. They define their focus this way, "We bring solutions to our customers through E.D.G.E., which stands for Every Day Great Execution. His company uses an IC model. In 2021, Bonnie Speed shrank its in-house staff and its driver pool but expects to add both staff and drivers in 2022.

## CLDA MAG: What adjustments do you foresee for the size of your staff in 2022?

RODGERS: We don't believe we will need to add any office staff positions for 2022. Our office staff is incredibly capable and versatile. They all have areas of expertise and we cross train for all positions. So, if we need to move someone into a special project, we can cover their daily duties with someone else for a short period of time.

HARDY: We plan to hire a Utility Employee to help support day-to-day operations. The reason we decided to institute the employee positions is because the independent contractors have become very unreliable compared to years past. The labor crisis in the U.S. is real. This is the worst situation I've seen in my eight years with this company when it comes to finding reliable professional drivers, and the increased gas prices are just adding more fuel to an already negative fire that's ablaze in our industry. Internally, we recently lost our Sales Manager and our HR Manager, so we are currently looking to fill both positions. Both positions are too important to leave open if we want to grow the business in 2022.

### CLDA MAG: Both of your companies expect to add drivers in 2022. Talk about that.

RODGERS: We plan to grow our delivery staff by 18% - 25% in 2022.

HARDY: We expect to add drivers because demand is up a lot right now! We are using our current drivers to recruit for us more than ever, just so we are casting the widest net possible.

## CLDA MAG: What has it been like to hire staff and bring on enough drivers in 2021?

RODGERS: Hiring during the epidemic has been tough. As people became vaccinated and felt safe enough to look for employment, we attempted to capture the best drivers by offering signing bonuses, referral bonuses for employees who recommended new hires and advertising on multiple platforms. These measures have worked but it is a slower process than in years past.

HARDY: It's been a headache. The employers are at the mercy of the market right now. You have to increase your wages and think about adding incentives just to compete and get people interested.

#### CLDA MAG: How do you think that will change in 2022?

RODGERS: We think that more people will reenter the workforce next year. Government payouts will decrease and/or disappear and they will need to return to work to maintain their standard of living. Courier work appeals to a lot of folks who want variety in their workday without being bound to a desk.

HARDY: I don't think it's going to change in 2022. I expect more of the same. We are still feeling the aftershocks of this pandemic. A lot of people got free money to stay at home and there will be long-lasting effects from that from a labor perspective.

#### CLDA MAG: If you expect to add staff in 2022 how will you recruit them?

RODGER: If we needed to hire more office staff, we would advertise on several platforms and tout our benefits package, fair pay and an excellent company culture.

HARDY: We have already instituted remote days for our current staff to promote work flexibility and we also changed our vacation policy that reflects going from an accrual system to an instantaneous one. Both changes should make us more appealing to potential employees moving forward.

#### CLDA MAG: If you expect to add drivers in 2022 how will you recruit them?

RODGERS: All of our drivers are employees of Richmond Express so they would be offered a benefits package - medical, dental, vision, insurance - as well as paid vacation days. We will continue to offer word-of-mouth signing bonuses to an employee who refers a potential driver. We will also be using hiring websites. We have even added eye catching signs to all of our delivery vans inviting people to contact our office for employment opportunities.

HARDY: Our drivers are ICs. We are discussing incentives as we move forward. We are actually holding a driver focus group in a few weeks to see what we are doing right, what are we doing wrong, what more can we do to get reliable drivers to contract with us.

#### CLDA MAG: What have been your biggest challenges in recruiting staff and drivers in 2021?

RODGERS: It has been interesting to see how many people show interest in working for Richmond Express but, at some point during the hiring process, they decide not to follow through. At any point in the onboarding process, they might just not show up and stop answering our calls. These people will sit for an interview, watch the onboarding videos, sign the necessary paperwork and then just not show up for the first day.

We are unique in our approach to hiring. Because we are employee-based, our training is intensive and our expectations are high, so hiring is a slow process in this environment. It's not enough to have a car and a smile. It can be disappointing to have them change their minds, but we know it is better to have that happen earlier than later.

HARDY: When it comes to bringing on new drivers, we're finding two things: the cost for insurance has gone up, and gas prices are at an all-time high. So, these cost items have made drivers very hesitant to commit to a relationship revolved around on-demand work.

When it comes to staff, we're doing our best to pay market value because costs have risen across the board.

#### CLDA MAG: What will you do in the next 12 months to incentivize staff and drivers to stay?

RODGERS: We will continue to offer a strong and supportive culture. We hope that our employees - drivers and staff members alike - feel like they are part of something important, not just holding down a job. Our benefits package allows us to stand out amongst our competitors in attracting qualified candidates that will, hopefully, stay with us for many years to come.

#### HARDY:

Staff: We just launched a program called "L.I.F.T." which is all about putting staff-level personnel on a path to a promotion at the supervisor or manager levels.

Drivers: We are still working on a permanent incentive, but since the pandemic we have been doing more gift card giveaways and gift bags to drivers. We also do cookouts for them, which seem to be a big hit.

CLDA MAG: Capacity is a significant issue for every carrier. What trends do you expect to impact your ability to have enough staff and drivers to meet demand in 2022?

RODGERS: We anticipate the rising

cost of fuel will impact both drivers and transportation companies. We'll need to analyze our pricing structures to ensure that drivers are properly compensated. Another trend that has been embraced by other industries is the desire to work from home. For our company, we feel that this model isn't optimal. We find that our office staff work best with face-to-face interactions. There is no substitute for one person overhearing another when they are dealing with a problem and being able to jump in with their ideas on finding a solution. That just doesn't happen when people are working remotely. For sick days or special circumstances, we could accommodate it for a short time, but we are reluctant to encourage this trend for every team member, all the time.

HARDY: I see two trends:

1) Job-Hopping - This is a trend that I don't see going away. This generation is always looking for the next best thing. And because everyone is having labor issues, the power has completely shifted to the people looking for new jobs. So, it's easy right now to find a job that will give you a signing bonus and/or better salary than what you have now.

**2)** Class A Driver Shortage – This one speaks for itself. It's an issue that will be with us for many years to come.

CLDA MAG: What advice would you give to carriers concerned with recruiting and maintaining their workforce?

RODGERS: I would suggest that you know your market. Investigate what other carriers/courier companies are offering in the way of wages or benefits and make sure you are competitive. Make sure that your HR Department is reactive to issues and supportive to your workforce.

"Make sure that your HR Department is reactive to issues and supportive to your workforce. Now, more than ever, people need to know that they are a part of a team and that they are valued."

Now, more than ever, people need to know that they are a part of a team and that they are valued.

HARDY: Get out in front of it by having those internal and external discussions about this very issue. The only way a problem gets solved is by talking and thinking your way through it. In today's landscape you have to constantly be thinking outside of the box and trying to empathize with workers as much as possible. Consider additional benefits like working from home and offering spot bonuses and vacation days.

CLDA MAG: What trends do you expect to have the biggest impact on the hiring issue in 2022?

RODGERS: Other than the trends listed above, health and safety concerns might impact the pool of candidates for open driver positions. We do see more and more people being comfortable with face-to-face contact with the general public, but I expect that safety measures will need to stay in place for the foreseeable future to attract the number of drivers our industry will require. No- contact deliveries or deliveries at a distance might continue into 2022 and beyond. I also think we'll need to continue with mask wearing and an abundant use of hand sanitizer! We will do whatever we can to make our clients and drivers feel as comfortable as possible with the delivery process.

HARDY: Same as above Job-hopping & Class A driver shortage. Both trends put the employer at the mercy of any potential employee. CLDA





CLDA Magazine caught up with Shaun, a 20-year veteran in the space, to explore some of the unique changes he predicts are right around the corner for us in logistics.



Here's what he told us:

#### **CLDA MAG**

Before we get started, please tell us about your career in logistics.

#### RICHARDSON

It began in 2002 when I worked in the technology department at a local LTL company in San Diego, CA. Everything we worked on in technology was to support business functions. Over time, I began to understand how all the various teams in a logistics company relied on technology. With this understanding, it was clear that I could start adapting new solutions to make the business operate smoother and provide better visibility, both internally and externally, where companies often needed it most: within tracking, pricing, and custom analytics. In 2008 I joined CXT Software as an Implementation Specialist. It was here that I was first able to put my extensive background in operations technology to use. As the years went by, I held various roles in the company leading up to 2021, when I accepted the CEO position.

#### **CLDA MAG**

You told us you expect the industry to grow in 2022. What are the big tech trends that will support that growth?

#### **RICHARDSON**

1. Assisted/automated Dispatching: Logistics is like chess, but even the best chess players can only think 10-15 moves ahead. Today, dispatchers are managing more drivers and stops than we've ever seen before, and each set comes with increased complexity and customer expectations. I'm very excited to see how assisted/automated dispatching will help manage this new demand. These tools are just emerging in the industry. They will play a critical role in

reducing the stress of each decision a dispatcher has to make while also providing predictions, increased efficiency, and ultimately, the best dispatching decisions.

2. Plug-n-Play Integrations throughout the Supply Chain: Shippers are usually larger than their logistics providers in gross revenue, allowing more significant investments in their technology and operational processes. These processes set the standard and enable them to dictate how carriers complete the work. Still, one size never fits all, so having the ability to modify an integration with a shipper quickly is essential for logistics businesses to stay competitive in the marketplace. Here at CXT Software, we've built a robust integration technology that acts as an automated adapter between shippers and carriers so that they can automatically get the operational data they need in their own systems.

3. Real-Time Notifications to End Users: When a carrier is doing work for a shipper, the ability to notify them, or their consignee directly, about their shipment in an agnostic way is essential. Sometimes the shipper will handle the communication to the consignee, which means logistics data must be collected and transmitted upstream. Sometimes the shipper wants the carrier to send the notification directly to the consignee. Whichever method is preferred, supporting the ability to gather essential logistics data and disperse it through multiple requested channels is critical for carriers to integrate into shipper supply chains. We are also working hard to meet new demands throughout the industry and pay close attention to new features that customers might want. Historically, B2C has driven the demand for real-time notifications, but now B2Bs are very interested in the same visibility and real-time updates. I suspect that more and more, we will see features, usually associated with consumers, move into the B2B space over the next few years. These real-time communications go hand-in-hand with the automated integrations I mentioned before. It would be impossible to provide these advanced notifications to either the shipper or their consignee without a seamless connection between the multiple systems at play.

#### **CLDA MAG**

What sectors of our industry do you expect to grow in 2022?

#### RICHARDSON

It may come as a surprise to readers, but I foresee that brick-and-mortar retailer distribution will grow in 2022. Here's why: Consumer spending has been steadily increasing over the past few years, and retailer distribution will grow as their industry continues to look for ways to match e-commerce shopping experiences. Immediate examples range across the marketplace to include companies like O'Reilly Auto Parts, which recently rolled out free next-day delivery or same-day pickup on over 100,000+ products. We also see companies like Walmart, which have recently announced plans to expand their same-day delivery services into over 100+ metro areas. Many other retailers are following suit and see this as a competitive advantage over their online-only counterparts who can't provide the hybrid online/in-store experience that consumers want. An aggressive hybrid model like this wouldn't be possible without rapid distribution systems that can quickly move products between warehouses, local stores, and consumers. Retailers will either meet this logistics need themselves or look to independent logistics agents to help them reduce dependence on national shipment providers like UPS, FedEx, and the USPS.

#### CLDA MAG

What sectors do you expect to shrink in 2022?

#### RICHARDSON

It's essential to pay attention to the type of packages being moved by logistics companies, for example, items such as title and mortgage documents. The businesses that use these documents are going increasingly digital, and each year, a new company comes up with a way to handle titles and mortgages easier. Many lenders today have a nearly paperless system from the buyer's standpoint. With the

continual movement of all electronic communications, the need to physically deliver this type of parcel will continue to decline.

#### **CLDA MAG**

What are the three trends in technology that you expect to have the most significant impact on our industry in 2022?

#### RICHARDSON

- 1. Advancements with autonomous vehicles: We are most likely a decade or more away from the viable adoption of fully autonomous vehicles and delivery robots. Still, we will continue to hear about the advancements with this technology, so it will be essential to stay up to speed with how driverless technology will impact the LTL and linehaul space.
- 2. More affordable route optimization and dynamic routing: As cloud computing becomes cheaper and more powerful, significantly complex algorithms such as route optimization and dynamic routing will become more accessible in the industry. These tools will further empower delivery companies to optimize vehicle loads and routes better and provide predictive AI solutions for exception management and other advanced analytics. I'm excited to watch the benefits of this technology spread through dispatch offices and distribution warehouses and eager to see how those teams adopt the technology.
- **3. Green technology:** The use of green technology is becoming more viable and ubiquitous in the industry, with plenty of benefits that come along with it. We see hybrid and electric delivery vehicles paired with route optimization - a powerful combination that reduces total fleet mileage with increased efficiency and, often, lowers operating costs. On the digital side, more energy-efficient cloud and mobile computing solutions empower drivers on the go, allowing them to stay connected to their dispatch office 24/7.





#### **CLDA MAG**

What are the rising consumer expectations you believe will impact our industry within the next 12 months?

#### **RICHARDSON**

Consumers continue to experience the spoils of "free" and rapid delivery such as Amazon Prime in their personal shopping. These features will continue to raise the expectations of all B2C and B2B logistics companies to provide faster and more efficient services at even lower prices.

Taxi and food delivery services such as Uber and Grub-Hub that provide real-time driver GPS tracking will also pressure transportation logistics companies to offer similar functionality and visibility. The privacy and security impacts of this level of visibility in the B2B logistics space have yet to be fully understood. Nevertheless, any logistics companies reluctant to compromise and improve workload visibility may find themselves with some tough decisions.

#### **CLDA MAG**

What technology solutions do you expect will be introduced in 2022?

#### **RICHARDSON**

There has been quite a bit of overhyping around block-chain technology within the digital currency space over the last few years. However, I believe that we will see this technology find an excellent use case within the logistics space by providing more secure chain of custody evidence and fleet tracking. There are endless possibilities for increased data collection without increase in security or data privacy concerns. This improved collection will, in turn, allow for more accurate and effective big data analytics, ultimately reducing costs in the warehouse and on the road. GLDA



### CONNECT WITH QUALIFIED CONTRACTORS FASTER



Openforce's IC Recruit is designed to help you supplement your recruiting efforts with real-time alerts when a driver matches your requirements.

#### BREAK THE CONTRACTOR SHORTAGE CYCLE



CONTRACTORS



**AUTOMATED ENROLLMENT** 



VISIBILITY AND



REDUCE OVERALL

Sign up for your free driver alerts today at

oforce.com/driver-alerts



Those who handle air cargo can expect another rollercoaster year in 2022. That's the short answer to the question "What will 2022 bring to indirect air carriers?" from Jason Rowland, Director of Compliance at <u>Asendia USA</u>. The company supports international e-commerce and mail, delivering packages, parcels, and documents to more than 200 destinations across the globe. Rowland has over a decade of experience in airport security and safety protocols.

CLDA Magazine asked him to look to the next 12 months for a peak around the corner at what 2022 will bring to those involved in transporting air cargo.

**CLDA MAG:** What trends that started in 2021 will continue to impact indirect air carriers in 2022?

**ROWLAND:** The biggest thing is the dramatic increase in ecommerce volumes. These are like nothing we've seen before, and I expect this trend to continue as people do more ordering from home. Consumers are not fully yet going back out into brick-and-mortar stores. On top of that, business that used to only offer in-store shopping are now building their own on-line presences.

There are also the issues with airlines that hit in 2021. These are not going away. A large amount of our industry relies on passenger flights, both domestically and internationally. In 2020, when volume was going through the roof, airlines were cancelling flights because of the impact of COVID. The ability to get space on aircraft became very limited. We had a huge influx of volume and a decrease in the availability to move those orders. This led to the vast numbers of delays. We're still experiencing that now.

We expect that eventually these airlines will add back flights, but many will continue to experience staffing shortages, some brought about by vaccine mandates. For example, Southwest recently grounded 1,800 passenger flights, partially because of staffing issues.

Cancelled flights mean thousands of kilos of material are just sitting in warehouses because they can't get booked on flights. That's not an issue that will go away in 2022. Right now, volumes are ramping up for the holiday season and that increase in parcel flow combined with an airline industry not operating at 100% is creating a big backlog and limiting space in warehouses. That's one of the biggest things that I expect to continue well into next year.

### Right now, the whole industry is in flux ... because of new regulations TSA put into effect midway in 2020.

**CLDA MAG:** Talk to us about the regulatory changes that you expect to continue affecting the industry in 2022.

**ROWLAND:** Right now, the whole industry is in flux when it comes to cargo operations because of new regulations TSA put into effect midway in 2020. The agency changed the way we perform screening on material that's bound for all-cargo aircraft. That is taking time and leading to expense. These changes will continue to impact everything. The industry hasn't fully dealt with their implementation. Some airlines have already increased their rates to accommodate these heightened screening requirements. This has forced some indirect air carriers to seek other airlines or raise rates themselves. Some are looking for ways to become their own screening facilities for the TSA to save money.

The impact is still not entirely clear, and I expect this unsettled period to last into the early portion of 2022. It will affect prices. The whole industry is finding a new equilibrium with these new regulations.

CLDA MAG: What else are you expecting to impact the industry?

ROWLAND: Customs enforcement. Previously the data that a customer gave their exporter on a shipment was minimal. It could be a brief description of the goods and it would get absorbed into the customs process for whatever country was being sent to. But in March 2021, the European Union began implementing a new customs pre-arrival security and safety program, underpinned by a large-scale advance cargo information system called the Import Control System 2 (ICS2). The program is one of the main contributors towards establishing an integrated EU approach to customs risk management. This system requires a much more specific data set to be submitted to us from shippers. Because of these new regulations, a lot of material that previously would have been acceptable is being rejected by host countries.

CLDA MAG: What impact are you expecting these new requirements to have moving forward?

**ROWLAND:** We've already begun creating a whole team to deal with these changes. They are working with the ICs we use to make sure that the data we get on shipments is compliant.

There's some subjectivity when it comes to how items are listed. What seems like a good description to one investigator might not be sufficient in the country where it lands. There is going to be a certain amount of time for the industry to get a handle on what's acceptable. We'll need to be clearer about what is going to get through the new system and what isn't. But until then, the industry is going to see a large amount of material that gets stopped and returned.

# The agency changed the way we perform screening on material that's bound for all-cargo aircraft. That is taking time and leading to expense. These changes will continue to impact everything.

That will mean transit times are going to increase. We're going to have to bake in some form of process prior to sending the material across the ocean. There will be times when will we have to go back to the customer and say, "This isn't enough. We need more data." We've never had to do that before.

Eventually, we'll find out what works. Then I'm expecting those transit time to come back to more expected levels. But for now, it's going to take some time to find out what is acceptable and what isn't. And that's going to increase costs. It's not just the salaries and benefits for the people who will handle this. There will also be increases in the amount of time that items spend in warehouses. That will limit how much warehouse owners can take on because items will be there longer.

**CLDA MAG:** What else should our ICS members watch out for and bake into their 2022 plans?

**ROWLAND:** The all-cargo changes from the ICAO regulations TSA implemented, may lead to them considering becoming a CCSF or utilizing Canine Screening.

There are some tools that are at their disposal to mitigate the growing costs associated with the heightened screening measures on all-cargo aircraft. Companies can apply with the TSA to become a screening facility themselves so that they can perform the screening and save that money from increased airline fees. Some airlines are increasing costs by as much as 12 cents per kilogram. That money can be saved by investing in becoming a screening facility. That's a major reason why my company has three screening facilities around the USA. We screen material, not only for ourselves but for other customers also, so that we can tender to the airline already screened. It also gives us access to better ready times and a shorter delivery window pre-flight. Ordinarily we might have to have material to the airline by, say, 9 AM for a 3 PM flight, but if I screen that myself, my ready time may be 12 noon. In that way it gives you more flexibility for your ready times.

Once approved as a CCC (for those that do not want to take on the monetary or regulatory responsibility of purchasing screening equipment), they now also have the ability to use Third Party Canine Screening under the TSA. This is done by contracting with a certified, regulated third party company to perform the screening in your CCSF. It dramatically cuts down on screening time and allows for more flexibility in the types of material that can be screened. I would highly recommend that any existing CCSF who has not explored adding Canine Screening, to consider it. CLDA





# DELIVERING THE SERVICE THAT KEEPS YOU DELIVERING

You depend on your vehicles to keep your team and products moving. You can count on Pep Boys for the fast, convenient service you'll need to keep your vehicles on the road.

PEPBOYSFLEET.COM | 1-800-55-FLEET

### Your App. Perfectly Crafted. Beautifully Branded





### Engineered for Storefront or White Label Deployment

Your clients know you, love you, and most importantly, they trust your brand. With the uniquely crafted hyperSHIP app, the real-time push notifications and live driver in-motion tracking deliver your customers a clear view of when to expect each and every delivery. Available to download from your very own branded Apple and Google Storefront, hyperSHIP delivers a seamless mobile app delivery experience to your customers who are on the move. Contact Key Software Systems today, and deliver more of what your customers love.





mobiletek.com

keysoftwaresystems.com



he changes taking place in logistics and insurance are fascinating. Both industries are balancing the challenges that come with today's market conditions. At the same time, they are both prioritizing an intentional shift from legacy business practices and principles that are often considered ultraconservative, methodical, and slow to change.

While the "why" behind this change is fueled by a desire to innovate and create value, the "how" behind this change is technology. Insurance carriers and insurtech start-ups are using speed/efficiency, agility, and deeper integration to drive new value propositions and differentiate their products/services. Those are attributes of digital transformation and what consumers are demanding. If they can successfully accomplish this, the revenue/market potential is billions of dollars.

It's worth noting that the insurance industry was dealing with its own unique set of challenges prior to the COVID-19 outbreak. Commercial insurance industry results were already deteriorating at an accelerated pace,

particularly in the commercial wheels (auto) segment, which has failed to generate underwriting profits since the 2000s. This trend is poised to continue.

You don't need to look any further than CLDA's Summer 2021 article, "It's Not Your Parent's Final Mile," to see the role that COVID-19 has played, causing an unprecedented reduction in both supply and demand on a global scale. While the pandemic's full economic impact will not be known for some time, it's clear that businesses around the world are facing significant and unprecedented challenges, and the insurance industry is no exception.

Here are the major risk management and insurance trends we expect to continue in 2022:

#### **HUMAN CAPITAL**

- Continued Labor Shortage We are not yet in an age
  where vehicles are fully autonomous and artificially
  intelligent chatbots manage the entire customer experience. We are facing a national labor shortage which
  isn't isolated to driving capacity. It includes warehouse
  workers, underwriters, clerical employees, etc.
- New Ways of Attracting People The best organizations ("innovators/early adopters") are rethinking how they attract, develop, and retain their greatest asset: their people.
- New Benefits This includes compensation, benefits/ perks, engagement, transparency/communication, personal and professional development, training, and support. These are particularly important for organizations that operate in partially or fully virtual environments.

#### RISK FINANCING/RISK MANAGEMENT

- Rethinking Risk The insurance industry is witnessing a material shift in how organizations (insureds) strategically assess, finance, and manage risk.
- Risk Management Takes Center Stage The best organizations realize enterprise risk management (compliance, safety, claims, contracts, etc.) must have

- a seat at the table alongside operations and finance. They prioritize investments and execution to control outcomes the other 364 days a year, outside of their insurance renewal date. They are also transparent with customers on contractual requirements and rising operational and insurance costs.
- Alternative Risk Financing Interest in alternative
  risk financing vehicles also tends to increase during
  hard market cycles. Evaluating larger deductible/retention programs or captive structures (group, single
  parent, etc.) potentially presents an opportunity to
  lower total cost of risk (TCOR) or create enterprise
  value on a short and/or long-term basis.
- Controlling Risk Aligning your organization's data, its tolerance for risk, and ability to fund a known/controlled level of loss activity within your P&L, can be a competitive advantage (vs. trading dollars with an insurance company). Transfer the risks your organization can't comfortably fund to traditional insurance.
- Financing Risk Considerations for collateral and capital requirements, cash flow implications and the opportunity cost/ROI associated with financing risk should also be evaluated.

#### **TECHNOLOGY**

- Focus on Safety Insurance carriers have started to incentivize insureds for their investments in safety technology, such as telematics, cameras, claims management systems and predictive analytics. These investments seek to proactively avoid or reduce the frequency and severity of accidents and incidents. They also monitor trends and reactively educate workers on their safety-based decisions and actions.
- Tracking Real-Time Driver Behaviors Telematics-based insurance solutions (e.g., companies like Root) have become very common in the personal auto space, as technology via mobile devices can track real-time driving behaviors. As carriers revamp their historical underwriting tables to include new data sets, they typically offer a standard discount (e.g., 5-10%

for implementation of certain investments). The best organizations quantify the "break even" period in safety technology and plan/invest accordingly.

- Making Use of Data The intersection of logistics and insurance has occurred with the advent of usage-based insurance (UBI), particularly at the independent contractor (IC) level. UBI captures and reports real or near-real time data to better align exposures with insurance pricing, which becomes more dynamic, accurate and personalized to the insured. The industry is ripe for this opportunity, particularly as insurance carriers clamor for real-time driver and truck "big data" to shorten underwriting cycles and re-price insurance rates based on actual performance and behaviors - not historical losses.
- Harnessing Technology Insurance carriers and Insurtech look to harness technology in these general areas to drive new value propositions, support consumer demand and differentiate themselves from competitors. If successful, these innovations could rake in billions of dollars. These are the areas that will be most affected:
  - Marketing and distribution
  - Pricing
  - Claims management
  - Customer service

#### **MERGERS & ACQUISITIONS**

- Growth and Diversification Acquisitions will continue at a strong pace. These will serve as a major catalyst for growth and diversification in the transportation and logistics sector, with access to affordable capital.
- Focus on First/Last Mile Delivery Rapid-changing consumer behaviors and supply chain issues will continue to place more value on First/Last Mile delivery with white-glove service seen as a differentiator.
- Due Your Due Diligence The best organizations have a standard, risk/insurance-based process to determine whether the acquisition will benefit or harm their enterprise value. From an insurance perspective:
  - It's important to quantify potential synergies and opportunities and also identify liabilities so they can be included in the deal's terms.
  - Understand how representations and warranties provide value and protection to both the buyer and seller involved in the transaction.

It's natural to have mixed emotions about an uncertain future. The current "doom and gloom" around increasing insurance rates is not easily lessened by the promise of sweeping change, innovation, and evolution. It's all imminent. Logistics companies that find success in the coming year will be evaluating these trends very carefully and applying them in ways that serve their workforce, manage risk, leverage technology, and propel their businesses forward. CLDA

#### **ADDITIONAL RESOURCES:**

Readers and enthusiasts who yearn for deeper insight and data into macro-insurance industry trends may find these additional resources of value:

- Tal Daskal of Forbes: Trends That Will Shape the Future of Insurance
- Patricia Moore of One Inc: Insurance Industry 12 Trends for 2021
- McKinsey: Insurtech the Threat that Inspires
- Boston Consulting Group: The Strategic Role of Insurtechs Post-COVID-19
- The Future of Insurance: From Disruption to Evolution by Bryan Falkchuk
- PricewaterhouseCoopers: Transportation and Logistics Deal Insights 2021 midyear outlook

About the author: Peter Berg dedicates his professional focus to <u>TrueNorth's Transportation & Logistics Practice</u>, where he helps growth-oriented companies with strategic planning and execution. His core passion lies at the intersection of risk management, technology, and logistics - particularly in the evolving Last/Final Mile sector. You can learn more about TrueNorth's transportation capabilities at www.truenorthcompanies.com/transportation.



## Saves You Money

IT'S AS EASY AS 1 2 3



Become a member of the Customized Logistics and Delivery Association



#### SAVE

Receive special discounts on services from key providers in the industry



#### **PROFIT**

The potential cost savings more than pay for CLDA membership, plus you'll benefit from CLDA's advocacy, networking and education

#### **CLDA MEMBER BENEFITS PROGRAM PARTNERS**

































Join today! clda.org









By Janice Laubach, Sr. Content Strategist, Kickcharge Creative

# Branded Offices A Trend for 2022 and Beyond

When Larry Zogby moved his successful logistics company from downtown Manhattan to its current headquarters in Long Island City, NY, he found himself staring at 10,000 square feet of blank walls and cold, bland offices, meeting rooms, hallways and other spaces. Zogby, Owner of RDS Delivery Service, is a former CLDA board member and long-time member of CLDA.

Zogby knew his employees and customers deserved better, so he set about designing and creating an office environment at RDS Same Day Delivery Service that is warm, inviting and awe-inspiring, The carefully designed space showcases the RDS brand, energizes employees and inspires many potential clients to seal the deal with Zogby and his team. The walls are painted in the brand's bright, bold colors of green, yellow and white. It features beautiful, impactful wall wraps, inspiring quotes and other branded touches that are designed to take visitors on a "journey" throughout the space.

Branded office spaces aren't only trendy for 2022 and beyond. They're wise investments that can yield huge dividends through increased sales, more successful recruiting and higher employee morale, Zogby says.

### "The building is one big beautiful sales tool ... I use my space and everything in it as a sales tool to seal the deal with potential clients."



We sat down with him recently to find out how he created his branded space and why he thinks it's an invaluable business tool that other business leaders should embrace in the coming year and beyond.

#### Why did you choose to brand your office space?

I'll tell you exactly why. I was so excited when we branded our vehicles, uniforms and messenger bags. The reaction from our customers and everyone who saw them was so positive and enthusiastic that my street couriers were filled with a huge sense of pride about the work they were doing. So, I wanted my office team to experience that same energy and excitement.

#### Was the reaction from your team what you expected?

I have found that creating a cool vibe with design and function has resulted in increased energy, greater production and an off-the-charts happiness factor. When you have dysfunction in the workplace, there's more time spent arguing with each other. Investing in the culture is not just having parties. It's investing in a physical asset that makes people feel a certain way—that makes them want to come to work every day and give you their very best effort.

#### What are some of the benefits?

The building is one big beautiful sales tool. It helps with retention. It helps with recruitment. It helps me create the kind of incredible culture that I want for my team. I use my space and everything in it as a sales tool to seal the deal with potential clients. I host meet and greets with clients, prospects, vendors, networking partners and community leaders. For example, we recently hosted an event with the Queens Borough President Donovan Richards as our guest of honor. I could not have done that if we didn't have an incredible facility.

#### How did you begin the process?

I sat in this office and looked at every wall. And I asked myself: If the walls could talk, what would they say? How can I leverage that energy to my team? Then, I worked with two great partners: KickCharge Creative to design the wall wraps and JMR Graphics to install them. I realized over time that you have to trust your own vision and energy and then choose great partners to help execute your vision. Of course, if you don't have a great brand, this approach will never work for your business.

I'm a huge fan of theater as well as retailers and supermarkets like Stew Leonard's that do it right. These folks have invested in lights and branding to create a powerful customer experience. So I asked myself: "How do I replicate that feeling of both Broadway and those beautifully branded retail spaces?" I wanted to hit visitors' five senses. So, our lobby includes not just branded wall wraps but also

a large TV screen that is timed to show numerous pictures of our team—working, smiling, laughing, having fun. We have music playing and air fresheners that fill the space with pleasant scents. We also try to leave cookies or other treats out on our conference table as well as interesting RDS-related reading material.

As I escort visitors through our space, I wanted to make sure that—at every twist and turn—there was a balance and an energy. I wanted it to feel natural and not overdone. In one area, we included powerful pictures of our vans traveling through Times Square and around the streets of New York City along with taxi cabs and other vehicles.

In another area of the office where employees like to hang out, we added a wall wrap that focuses on our Random Act of Kindness initiative, which began during the lockdown and has delivered more than 350,000 meals to front-line workers, the homeless, seniors and others in need.

Strategically hung on the walls throughout the hallways and other spaces are awards that we've earned over the years along with samples of the uniforms our couriers have worn over the years, including the uniform worn by our bicycle messengers in the 1990s.

All of these become talking points during a tour of our facility. I'm always selling, but I'm selling by telling a story of what we're doing and why we have an outstanding reputation with customers and throughout our industry. We've inspired so much trust and confidence that I'm not commoditized anymore.

I'm so confident in my space as a sales tool that, when potential clients try to make unreasonable requests on price or other details, I say: "Go check out my competitors." I feel confident doing this because I know we're the best in the business—and our office space is a reflection of that. We have our systems and processes in order. We have a well-built culture.

### Did these changes have any impact during the COVID-19 lockdown?

If I had been in my old office in the city, I don't know if I would have survived during the pandemic. We were a well-oiled machine and everyone came to work every day because they felt safe. Everything just feels right here. There's a cool vibe and there's an energy between all of us. My team simply didn't have the right space to work from home, so I'm thrilled we had the perfect environment during the lockdown.

#### What was the cost and was it worth it?

It cost me about \$350,000. Some people say: "That's an awful lot of money." I don't think they understand the value of a well-designed physical asset. When the cost is amortized over my 12-year lease, it amounts to \$2,430 a month or \$94 a day (RDS is open six days a week.) To me, it is worth every penny. A smart business owner would pay \$94 a day to have my place. How often does a business owner throw away money on a bad hire? Creating a great space is not throwing away money. It's a wise investment that's paid great dividends. For instance, I landed a \$75,000 project in the food industry in November/ December simply because the client visited our offices, looked around and was impressed with what he saw.

Just like websites can be great sales tools, office spaces can also be great sales tools. My goal every time someone walks into my office or joins a ZOOM meeting where they can see my branded conference room in the background is the "ooh" and "aah" factor. That's worth so much to me because I know that, if they don't buy today, they'll buy tomorrow or when they have a need.

#### How have the renovations affected you personally?

I'm in this business for 35 years. This has re-energized me. I come to work energized every day. Having a creative space inspires me and my entire team to do our best work every day.

#### Are there any drawbacks?

I can't think of any. Not one. I trusted my vision, but it takes courage, conviction, passion ... and a willingness to put your hand in your wallet. CLDA

### **Member Health Plan**



## Affordable Medical Benefits for your Employees at NO Added Cost or Administration for You

#### Limited medical plans for employees:

- **Overs many common screenings & preventative services** at 100% in network
- Teledoc Prescription discount plan
- National PPO network

Visit the CLDA website to learn more.

CLDA offers an Independent Contractor Help Plan as well!

Tell your friends to visit the CLDA website for info.





# MEETING THE CHALLENGES OF





eeping up with record backlogs and the traditional gift buying season will make this Holiday Rush one for the books. That's the consensus of two industry veterans, one, the owner of a logistics

company and the other a supply chain service provider.

Steve Howard is president of the Customized Logistics & Delivery Association (CLDA) and the president of <a href="Esquire Logistics">Esquire Logistics</a>, Inc in Florida. Chris Kane is the CEO of <a href="Drivv powered by Courierboard & CBDriver">Drivv powered by Courierboard & CBDriver</a> also based in Florida.

Both men acknowledge that the unique challenges facing carriers this holiday season make preparing for it a challenge. "It's a big unknown," said Howard. "We have been extremely busy all year with peak numbers every day. There are so many unidentified variables that could impact this year's Holiday Rush. People are already buying on-line in record numbers, so there's every reason to expect they'll do the same with holiday gifts. And let's not forget the last few Holiday Seasons when the big three, UPS, Fed-EX and USPS, struggled with volume. I have every reason to believe that they will be hard-pressed again in handling this holiday season's volume. That will most likely mean more work for our members, who are mostly regional providers."

Kane confirmed his expectations of increased volume this year. "I believe we are going to continue to see a huge increase in on-demand deliveries this holiday season from companies, retailers and individuals," he said. "Everything is being delivered today as people shy away from in-person shopping. There are also backlogs and shortages of building materials that need to be delivered ASAP as they become available. This will be another drain on capacity. There's also pent-up demand because everyone has been home for over a year. Add those together with holiday gift buying and we'll see a tidal wave of delivery demand in November and December."

There are also lingering issues from the pandemic that will have an impact on the 2021 Holiday Delivery Season. The most significant will be getting a large enough workforce. "There is a real challenge at the moment when it comes to hiring drivers and employees," points out Howard. "We typically ramp up our hiring in October, but we have not stopped hiring all year. It appears that things are starting to normalize again, but with COVID raging in South Florida at the moment there is still a lot of concern about the effects it will have on the available work force."

Kane has a front row seat on the driver shortage. His company, Drivv, is an online driver recruiting platform for courier companies to engage new drivers. They also have a driver contract website where independent contractors can search driver contract ads from courier companies called CBDriver. "Driver availability is the critical factor that will impact the 2021 holiday season," he says. "The extended pandemic unemployment benefits have negatively affected the driver population. There are more companies advertising for drivers than ever before on our platform. The competition for professional

drivers is intense with an increase in driver ads featuring incentives and sign on bonuses. To respond to these issues, Drivv has added new recruiting features including a search for Master Contractors, so companies can search our database for Master Contractors and see how many drivers and vehicle types they oversee."

Both men expect to ramp up the search for drivers. "We are planning on a hiring blitz a month earlier than normal," says Howard. "Our goal is to have an excellent team in place well before the historic beginning of peak which is usually around Black Friday." The CBDriver platform will be rolling out a new online driver community forum, DriverTalk, which will help drivers connect, find new driving opportunities and share information with other drivers.

This escalating race to find, train and get more drivers up to speed will put tremendous pressure on logistics companies for the holiday season. "Bringing on staff early can be a challenge because of the cost of adding them well before you need them. The reality is that the company that has the delivery staff will most likely win!" says Howard. Drivv and CBDriver is already seeing that trend. "Demand is up for courier delivery services and drivers," says Kane. "The volume of driver ads posted on Drivv /CBDriver is up by over 300% versus last year."

Flexibility and early recruitment will be the keys to surviving Holiday Rush 2021, according to these two industry pros. "Start recruiting now!" advises Kane. "Drivers are essential to handle the anticipated high demand this Holiday Season and companies should use as many different resources as possible to recruit them." Howard adds: "My advice is to be ready to adjust quickly. None of us knows what this season will look like but being prepared is critical to your survival." CLDA

"Bringing on staff early can be a challenge because of the cost of adding them well before you need them. The reality is that the company that has the delivery staff will most likely win!"



t's been close to two years since we began transporting recreational and medicinal cannabinoid products and it's been an exciting and rare opportunity to witness the growth and evolution of a new industry. While the legal frameworks for each country will be different, there are still some lessons that we learned that are relevant for customized logistics companies that would like to be part of this budding industry (pun intended)!

#### Hitting the Security Issue Head On

When Pacer started to investigate the opportunities of transporting cannabinoid product, we did our research. We spent time meeting with industry people to understand if the opportunity was both real and profitable for us. That's when we realized there was a problem. The industry was too young, and the fear of losing a shipment or having a van hijacked was a PR nightmare that distributors wished to avoid. They saw transporting cannabis with a freight forwarder like us as being too risky. Instead, they believed that hiring a private security would be the safe alternative. These interviews showed us that we had to revise our strategy.

How do you convince these companies that hiring armored guards and vehicles was not necessary to ensure the safety of their product? By offering customers the peace of mind and traceability they needed. This is how we began the implementation of live-tracking GPS devices that would be attached to the shipment and give us information on the location, shock, temperature, and more.

Transparency, traceability, and real-time updates are the norm in this vertical. In the past two years, we have seen a shift towards the use of tracking devices that give our customer the peace of mind they need, especially when shipping high volumes of product.

In addition, there's been an increase in reporting requirements. While knowing the location of the product

during transportation is important, other parameters such as temperature have become increasingly important since edibles were introduced into the market.

This is not just a requirement from our customers, Canada's Good Production Practices of the Cannabis Act states that licence holders must document the information regarding the sale, distribution, and export of cannabis. This documentation must be kept for a minimum of two years, and the technology that we use provides reports at the end of each delivery in a format that meets regulation requirements.

Education and scrutiny are important when hiring drivers to transport cannabis and not all drivers are suited for this work.

#### **Using Different Drivers**

Education and scrutiny are important when hiring drivers to transport cannabis and not all drivers are suited for this work. We made the decision early on to use a unique set of drivers to transport these products. We use our own drivers and have a select list of owner operators that can provide their services across the country.

We made this decision because we could not jeopardize this opportunity by outsourcing the work. At the same time, there was reluctance to transport cannabis from some drivers because the smell of the flowers would linger after the shipment was delivered. If the United States legalizes cannabis at the federal level, it would not be surprising to see reluctance or even refusal from some carriers to transport cannabis across state borders.

We have been able to rely on airlines to transport cannabis within our country. Canadian airlines have done a great job at standardizing their requirements for transportation, and in our experience, getting a shipment on board is not an issue. As long as the product is palletized and wrapped correctly, there are no other requirements to transport cannabis by air.

#### **Dealing with Temperature Requirements**

Many cannabinoid products must be transported in a temperature-controlled environment. This is particularly true for edibles. Because of that we have added refrigerated trucks to our fleet. As the variety of cannabis products expand, we expect to transportation requirements to become a mix of pharmaceutical and food shipping logistics. The demand for refrigerated vehicles, tracking devices and special packaging will continue to increase.

We got our foot in the industry by offering services to licensed producers that supply cannabis for the recreational sector. Over time, we started to offer our services to companies in the medicinal cannabis space. These companies have similar needs to our pharmaceutical customers who conduct clinical trials. Traceability, temperature tracking, and dedicated service continue to be important. However, because clinical trials can happen anywhere in the world, they need a logistics partner who can help them navigate the documentation process and requirements.

#### Responding to the Cross-Border Challenges

While it is illegal to transport cannabis for recreational use across the Canada/US border, it is legal to transport cannabinoids across the border for research purposes. This requires a special permit, which currently takes about three months in Canada to process. There is a limit to the volume that can be transported under this permit. Only 50 grams are allowed per permit, and each permit has a start and end date. This is not an issue as the time window is generous so the company can plan its research activities with enough buffer to ship its products.

However, this means that careful planning is necessary. Details about the THC quantities, intended use, and the port of entry is required. Once the permit has been issued, we cannot deviate from the plan as the shipment can only cross at the port of entry that is specified in the permit. Companies interested in offering their services to medicinal cannabis companies will need to expect a lengthier sales cycle and be willing to dedicate specific resources to assist customers with the documentation process.

The security measures and permits allow the transportation of cannabinoid products, but that does not mean it is a seamless or fast experience. We usually expect delays of three hours of more whenever we are crossing the border with these products, and we include this in our planning. We do not see this changing in the short term, as the quantities we ship are low and it is a relatively new experience for border agents.

#### **Deciding if This is For Your Company**

Overall, expanding our services to cover the cannabis industry proved to be a natural fit for our company. It took advantage of our expertise in shipping things like radioactive isotopes and other temperature-controlled pharmaceutical products. Companies that are equipped to offer tracking, reporting, temperature-controlled shipping, and packaging may well be in a position to service this industry. While Canada has over 700 licensed cultivators, processors and sellers authorized, only time can tell if these companies will survive or will be acquired. In the meantime, the opportunity and timing are favorable for logistics providers who are willing to take the risk and help this industry establish and streamline their supply chain. CLDA



Carolina Chanis is the Marketing Manager for Pacer Air Freight. The company specializes in time-critical logistics for the pharmaceutical, nuclear and cannabis industries.



# Connecting and Leading Our Industry

### INDUSTRY LEADERSHIP ADVISORY GROUP

Members of the Industry Leadership Advisory Group are instilling fresh energy and innovation to the future of CLDA and the industry.

Thank you!









Learn more about how to become a CLDA ILAG member today.

www.clda.org





### CLDA and ECA Strengthening the Industry Together

The ECA and CLDA opened a new era of cooperation and mutual benefit at the recent ECA Marketplace in Orlando, Florida. The CLDA turnout at the meeting was extensive and included a large percentage of the CLDA board plus the association's Executive Director, Matt Mantione. They joined dozens of CLDA members who attended the annual sales-oriented event.

In that cooperative spirit, CLDA President Steve Howard spoke at the opening breakfast on the first day of the three-day event. "I focused on the initiatives that we share and what we can accomplish together," he said. "ECA is a powerful player in the industry and having them as supporters of our Government Affairs initiatives strengthens our voice at the legislative table. I'm pleased that we're now cross-promoting both of our major events - the ECA Marketplace and the CLDA Final Mile Forum. We know that those who participate in both events increase their chances of success." At lunch that day, Mantione echoed Howard's words, emphasizing the value that all members of the logistics industry get from being part of both associations.

#### **Positive Reactions**

Howard got enthusiastic response to his remarks at the ECA Marketplace from members of both associations. "I got a lot of positive comments after I spoke," he said. "Many people at the conference came up to me and thanked me for everything we're doing collectively for the industry. They were really happy with the direction of the two associations."

ECA President Jim Bernecker agreed. "We got a lot of good feedback about Steve's remarks," he said. "I had members say they appreciated the fact that the ECA gave time to the CLDA at the conference. Forming a cooperative relationship has been my goal for a long time and I know members of the ECA board have been wanting to make this happen. Our Executive Director, Jim Luciani, is also a big supporter. We're looking for opportunities to work together to make the industry stronger."

Having the enthusiastic support of the CLDA at the meeting was a positive for both organizations. "I think it was good that the CLDA board was well represented," said







Matt Mantione, CAE @CLDA... · 2h @TheCLDA is proud to be attending the ECA's MarketPlace in Orlando. CLDA President Steve Howard was given the opportunity to talk about the value of the CLDA membership, and thanked the ECA for their support and collaboration! #CLDAProud











Howard. "Being a part of this event was an important step for all of us as a way to strengthen our partnership. Together, we represent this industry well."

#### Years in the Making

For the ECA, this was something that many in the organization have wanted for many years. "Coming together to explore mutually beneficial pursuits makes so much sense," said Bernecker. "We've got a good rhythm

of reciprocity between the organizations now. It's one that resonates with the ECA board. For years our Strategic Initiatives committee has looked for ways to create reciprocity with other organizations," said Bernecker. "Both the ECA and the CLDA have had booths at our respective meetings and publicized each of them. This builds on that. We're on a good path now to go farther; to look at some sort of corporate resolution that aligns both of us as an industry."



#### The People Who Made it Happen

Bernecker praised members of the CLDA leadership for their part in opening up this new era of cooperation between the two organizations. "I want to thank all the people who have contributed to this effort over the years. They played key roles in setting the stage for both organizations to work together. Historically, we've had a 60 to 70% overlap in membership so it makes sense that we support each other. Jason Burns, Steve Howard and Tom Jowers deserve personal credit for always reaching out. They are all great cheerleaders for the CLDA."

Howard offered equally generous praise for those in the ECA who worked for this alliance. "The meeting in Orlando gave new impetus to our continuing relationship and I want to thank everyone who has worked behind the scenes to create a successful relationship for making it happen," said Howard. "It unscored how important it is for members of both organizations to be part of each association's events and to have dual membership in both."

#### Bringing Different Things to the Party

Bernecker stressed that the meetings of both organizations are complimentary. He pointed out that each takes a different approach and that those involved in the industry need the benefits of both. "CLDA's Final Mile Forum delivers more of the educational piece and that's not our strength," he says. "The ECA Marketplace is more about establishing direct connections between shippers and carriers. We each bring something different to the party."

He pointed out that his own company, Relay Express, has been benefiting from participating in both organizations. Relay's owners Matt Seiter, Robert Smith and Mike Bernecker supported the CLDA (and its predecessor, the MCAA) for over 30 years. In fact, both Mike and Matt served on the MCAA board.

"We have always supported the ECA and the CLDA," he said. "Our people go to both events. We attend CLDA's events for different reasons than we do for ECA events. We take a separate group of people to each of them, and we come back with different mindsets. I think there's a way for all logistics providers to benefit from the strengths of both organizations. That's an approach that will benefit all of us. We look forward to working together with CLDA to build on the strengths of each association for the good of our entire industry." CLDA

### THANK YOU TO THE CLDA ADVOCACY FUND DONORS!

- ADL Delivery
- AEX Group
- Affordable Courier Solutions
- American Dedicated Logistics
- American Expediting
- Avant Business Services
- Blaze Express Courier Services
- Blue Streak Expediting
- Capital Express, Inc.
- Cargodinamica SAS
- Champion City Logistics
- City Express Inc
- Clear Connect Solutions
- Comp360
- Courier Express
- CourierLogistix, Inc.
- Custom Courier Solutions
- Delivery Express Inc.
- Dropoff, Inc.
- ECA, A Delivery Industry Alliance
- · Eddy Messenger Service, Inc.
- Elite Courier Inc.
- Esquire Express, Inc.
- eTrac Final Mile Gateway
- Expedited Courier Group
- Fast Exact
- Global Messenger
- · Hackbarth Delivery Service Inc.

- Interstate Courier Service, Inc.
- Jet X Courier & Delivery Service
- Lasership
- Lightspeed Express Delivery Systems
- Mission Critical Delivery Solutions
- Mohammed Asif Rehman
- · Ms. Kyeesha L Weaver
- New Age Courier & Freight System
- On The Go Cargo, Inc.
- Ontrac
- Paul Solomon
- PearlTrans Logistics
- Principle Distribution Llc
- Priority Courier Experts
- · Priority Dispatch, Inc.
- Priority Express Courier, Inc.
- Rightaway Delivery & Inventory Management
- Roger Oslizly
- Select Express & Logistics
- Ship-Right Solutions LLC
- · Sonic Courier Inc.
- Street Fleet
- Tempo Transportation LLC
- Tforce
- Transportation Impact LLC

- Valley Courier Delivery Service
- Washington Express, LLC
- Xcel Delivery Services

Interested in contributing to our advocacy efforts?

Contact Hana Watkins, <a href="mailto:hana@clda.org">hana@clda.org</a>

Less than 1/4 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.

### Business **Toolkit**





By June Drake Hayford, COO, Drivv powered by Courierboard & CBDriver



### 10 TIPS FOR WRITING BETTER DRIVER CONTRACT JOB ADS

To attract good drivers, your driver ad must stand out and appeal to potential contractors. At Drivv we've seen the good, the bad and the ugly in driver ads. Some fall flat while others get high response rates. Your ad title and ad description make a significant difference in your response rate.

No one has to tell you that the competition for drivers is stiff. You are looking for the same drivers as other courier companies. In addition, competition from delivery apps and rideshare companies like Uber and Lyft is heating up. If you want to keep up with your customers' needs, you are going

to need ads that help you stand out from all that competition to attract the best professional drivers.

Your driver ad is an advertisement, a marketing tool, and it should attract drivers and encourage the driver to respond. To accomplish this, make sure your ads include as much information and details as possible to help viewers understand why your driving opportunity will be a good match for them. This is a buyer's market, and you need to "sell" the driving contract.

#### HERE ARE SOME TIPS TO MAKE YOUR DRIVER ADS WORK BETTER.



#### 1. Make your Driver Ad easy to read.

Remember most drivers are reading your ad on a mobile device. It must be easy to read! Use a font style that is not too small or too large. We recommend 12 font in Arial or a similar font style.

Don't overdo it with italicizing, using CAP letters, bold or color, when you are trying to emphasize something. A driver ad in all CAP letters or all in bold is very hard to read on a mobile device.

Also, make sure your ad's information is spaced out. Separate long paragraphs with many sentences into smaller pieces. (See more on spacing in tip #10)

Drivv powered by Courierboard has provided recruiting tools (Driver Ads and Driver Search) to courier companies since 2008. The tips above were compiled from reviewing thousands of driver ads posted on our site to determine the key factors that help or hurt driver response rates. Drivv is offering a complimentary driver ad review for all CLDA members. Send your driver ad draft to: Drivv - Attention Driver Ad Team. We will review your ad and give our recommendations.

### 2. Your ad title should include the keyword "Driver" and stand out to attract interest.

The ad title should include the keywords prospective drivers will use when they search for driving opportunities. Independent contractor drivers search for jobs all over the internet and they are looking for driver jobs. Make sure the word "driver" is in or near the beginning of your title. It is the #1 search term used by individuals searching for driving opportunities. Other similar keywords to use in your title are courier, delivery and independent contractor.

### 3. Your ad title should include vehicle types needed, days of the week, and any special bonuses offered.

Your ad title should not be too long but should include key features of your driving opportunity. When prospective drivers are searching job websites they are skimming through dozens of ads. Usually only the title and a sentence or two of your ads are visible without clicking for full details. Including the vehicle type(s) and days needed will make your ad stand out to drivers with those vehicles and increase your click through rate.

EXAMPLE: "Driver / Independent Contractor with Car, SUV, Minivan, Cargo Van or Sprinter Needed."

If you have specific days, you need drivers for, M - F, include that in your title as well. Again, drivers who are looking for dependable work will be able to single out your ad faster and click to view and respond.

EXAMPLE: "Driver / Independent Contractor with Car, SUV, Minivan, Cargo Van or Sprinter Needed M-F."

When your company is offering incentive start up bonuses or other benefits, highlight those in your ad title. The goal of your ad title is to catch the viewer's interest so they will click and read your ad. Including key details will increase your click through rate.

EXAMPLE: "Driver / Independent Contractor with Car, SUV, Minivan, Cargo Van or Sprinter Needed M - F / Start Up Bonus!"

Tip: Avoid putting only the type of vehicle you need in your ad title. "Box Truck Needed." You are not advertising for a box truck; you are advertising a contract job opportunity. If you only put the type of vehicle in your ad title, it will look like an ad for someone who wants to buy a vehicle. "Driver" is a primary search keyword on job websites and should be in both your Ad Title and your Ad Description.

GOOD: "Driver / Independent Contractor/ Courier / Cargo Van / Box Truck / Monday – Friday"

NOT GOOD: "Box Truck Needed for Deliveries"

### CHECKLIST FOR WRITING THE MOST EFFECTIVE DRIVER ADS:

#### Must Haves

- ✓ Top keyword "Driver"
- Years of experience needed. Indicate if new drivers are welcome
- Professional and positive customer service approach
- Non-CDL or CDL, valid license, clean vehicle, ability to lift x pounds, insurance coverage requirements
- Clean driving record and background check, pass drug test, smartphone, etc.
- ✓ 1099 Independent Contractor Non-Employee opportunity
- ✓ Spell-checked content

#### **Should Haves**

- Ad title and description that stands out to attract interest
- ✓ A strong ad title that includes the keyword "driver" and other keywords such as courier, delivery driver, independent contractor, and type of vehicle (s).
- Keywords separated by spaces in the ad title.
- Company name and logo.
- Brief positive description of your company highlighting things like growth or company culture
- Days and times needed and type of work (on demand or routed)
- Positive aspects of the driving opportunity
- Estimated earnings and/or bonuses

#### Spelling, spelling, spelling.

All too often we see ads with simple spelling mistakes. An advertisement posted by your company with a spelling error is not a good look for your company's image.

Double check your spelling before posting your driver ad. Commonly misspelled words are Independent spelled Independant, and courier spelled coureir. If you are not sure about your spelling, grammar or punctuation, a great app we recommend is Grammarly. It is a great tool for checking driver ads, emails, and other business correspondence. They have a free and paid option.

#### Start your ad description by promoting your company.

With all the companies advertising for drivers, there is intense and growing competition for drivers. Your company's driver ad must stand out and market the driving opportunity to prospective drivers.

The driver ads we see getting higher response rates usually start with a paragraph or more describing their company in positive terms. Start your ad description with a paragraph promoting your company and attach your company logo to the ad. Start off with the name of your company. "ABC company is looking for..." or "Our courier company needs drivers..." and try to avoid ads that start with "We" or "I".

GOOD:" Growing Houston-based courier company is looking for experienced drivers / independent contractors with their own delivery vehicle. ABC company has been a leading Houston area courier company for over 20 years. We believe in professionalism, great customer service, and a team approach."

NOT GOOD: "We are looking for drivers in Boston" or "I need Cargo Vans and Sprinters"

#### Your ad description should highlight any positive lifestyle features of the driving opportunity.

The driver ad should highlight any positive benefits that could incentivize and encourage drivers to respond and apply. Some examples are "Home every evening," "flexible schedules, "scheduled route work," "weekly settlements," "local runs only," "CDL not required," "drive more to earn more," and "great parttime work for retirees."

#### Your ad description should include details on potential contract earnings, bonuses, or other perks.

The number one question that drivers ask is "How much does this driver contract pay?" That information is often impossible to provide in a driver ad because it is based on driver experience, route time, vehicle type, mileage, and many other varying factors. Statistically, ads that provide info on earnings get higher response rates unless the mileage or route rate is low. Whenever possible, highlight any bonuses or benefits your company is offering and include an estimate of weekly income. "Sign up bonus after 4 weeks", "Earn \$1000+ weekly".

#### Driver ads should include details on vehicle types needed, type of work - route or on-demand and days/hours.

As with the other tips above, ads with more information on what the driving opportunity entails perform much better than ads without details. Drivers comparing different ads on the internet are more likely to respond to ads that explain what the work involves. If the driver contract is for on-demand work vs. routed, include that information. If it is routed work, include maximum mileage.

EXAMPLE: "M – F route work, 6 am – 6 pm, occasional weekends. 100 miles maximum daily mileage."

#### Driver ads should list the driver requirements at the end - not the beginning.

All too often we see driver ads that only include information on what type of vehicle is required and what requirements the driver must pass.

All jobs have requirements for experience and other qualifications and the best place for those is at the end of your ad, after the positives about your company and the benefits and details of the driving opportunity.

Ads that ONLY include "must have" requirements do not have a good response rate. For example, "Valid license, "CLD required" "Clean driving record," "Background check," "Ability to pass drug screen, ""Non-smoker."

These are needed - but start your ad with the positives and finish with your company's list of "must have" qualifications.

### 10. Good spacing in your ad title and description is important.

Good spacing in your ad title and description makes it easier to read and understand. Most ads today are read on mobile devices, which have a small reading area.

#### **AD TITLE**

Recruiters frequently condense a long ad title by using hyphens or forward slashes.

Job websites and search engines don't always recognize words connected directly with hyphens (-) and forward slashes (/). Many job site searches will read words connected directly with a hyphen or front slash as one long nonword driver-independent and car/minivan/suv/cargo van.

NOT GOOD: "Driver-Independent Contractor Needed with Car/Minivan/SUV/Cargo Van"

Solution: Don't connect words directly with a hyphen or front slash. We recommend you add a space between the keyword and the hyphen or front slash. Adding those spaces will also make your title easier to read.

GOOD: "Driver - Courier Needed with Car / Minivan / SUV / Cargo Van"

#### AD DESCRIPTION

When your ad has a lot of information and many sentences, try to space them out. Do not have long paragraphs with more than three sentences. Add a space between groups of sentences so it is easier for the driver to read the details of your driving opportunity.

#### NOT GOOD SPACING

"Busy and growing courier company is looking for professional drivers / independent contractors with their own vehicle: Car, Minivan or SUV. Our company focuses on strong customer service. We are looking for the best drivers and provide very competitive rates and weekly settlements. This is for regular route work, M – F, no evenings. Optional weekend work available. \$500 Sign up Bonus after 4 Weeks. Clean background check and MVR, reliable and clean vehicle, and insurance. Come work with a top-notch company today! Respond online and we will get back to you ASAP.

#### Space here

#### GOOD SPACING

"Busy and growing courier company is looking for professional drivers / independent contractors with their own vehicle: Car, Minivan or SUV. Our company focuses on strong customer service. We are looking for the best drivers and provide very competitive rates and weekly settlements.

#### Space here

This is for regular route work, M - F, no evenings. Optional weekend work available.

#### Space here

\$500 Sign up Bonus after 4 Weeks

#### Space here

Requirements: Clean background check and MVR, reliable and clean vehicle, and insurance.

#### Space here

Come work with a top-notch company today! Respond online and we will get back to you ASAP. We look forward to hearing from you! This is a 1099 independent contractor – non-employee. Veterans and retirees welcome." GLDA

#### **WORDS THAT GET ATTENTION IN DRIVER ADS**

Want to move drivers to work with you? Include some of these words in your ad:

Weekly settlementsGrow your driving businessFuel surcharge paidScheduled routesCompetitive ratesPremium rates for eveningsFlexible schedulesRetirees / Veterans welcomeTSA a plus but will train.

Flexible hours

Make extra income!

Sign-on bonus after 1 month

Work with growing company

\$ Weekly average

Home every night Negotiated loaded mileage rates New and experienced drivers welcome



### Take Your Seat at the CLDA **Industry Leadership Advisory Table**

Membership is now open for non-carrier companies to join the CLDA Industry Leadership Advisory Group (ILAG). This non-courier advisory group helps the association's strategic planning.

ILAG was formed in 2021 to diversify CLDA leadership and better represent the interests of all our members – including carriers, shippers and affiliate partners. This advisory group focuses their experience and insight on advising the association on its mission, vision and goals.

Four of the supply chain's leading companies made up the inaugural class of the ILAG, Key Software Systems; Openforce; Risk Strategies and SCI.

Want to get involved? Visit the ILAG page on the CLDA website or contact the CLDA Executive Director, Matt Mantione. **CLDA** 

### SAVE THE DATE CLDA 2022 Final Mile Forum

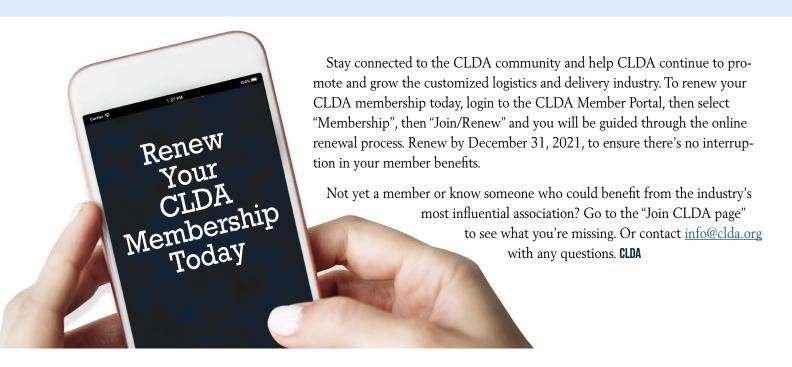
The 2022 CLDA Final Mile Forum & Expo will take place February 23-25, 2022 at the Hyatt Regency Miami. The three-day event will feature educational sessions, meetings with shippers, networking events and a look at the newest industry trends and innovations.

The theme of the event is "Staying Relevant in the Final Mile: B2B, B2C, Be Prepared." The program will include:

- Meeting representatives from key shipper companies
- Networking with leaders in the final-mile space
- Discovering new tools and technology to strengthen your company and grow your bottom line
- Learning new concepts and best practices for enhancing your company's performance

Registration is expected to open soon and will be available on the CLDA website, with CLDA members receiving a discount on their registration.

Keep up on the latest developments in the program by going to the Education and Events tab at clda.org. CLDA





### Online Training To Attract, Recruit and Retain a Diverse Workforce Available

Registration is now open for members that want attract, recruit and retain a diverse workforce. These on-line, interactive sessions are open to members from November 1, 2021, to February 28, 2022. For those who sign up by the end of February, their first three learners are free.

This on-line course is presented by EverFi, the leading global education company that provides real-world education through innovative digital learning. Participants work through interactive scenarios and videos that challenge their beliefs about inclusivity, diversity and equity in the workplace.

CLDA members who have taken the course say that it has opened their eyes to their own personal biases and helped them find ways to build healthier and more productive workplaces. It's helped them elevate their team dynamics with different perspectives on problem solving and creating an energetic workforce.

To build your workforce and attract new talent, sign up today and train your first three team member for free. CLDA

### Executive Leadership Summit Attracts Leaders of the Industry

Seventy current and future leaders of the logistics industry took part in the Executive Leadership Summit in October. The ELS is an annual workshop for c-suite executives, young professionals and managers in the leadership pipeline.

This is the fourth year for the CLDA's Executive Leadership Summit. With a focus on skill development, participants took part in small group discussions to help them apply the Summit's topics to their own businesses. For the second year, the ELS was led by business trainer and coach, Wes Gipe.

During the two-day, online meeting, participants learned how to address what conference planners are calling "The New Abnormal." Working sessions included:

- Exploring the Evolving Labor Market
- Transitioning to the New Abnormal
- Strategies for Minimizing Insurance Costs
- Virtual Teams that Thrive
- A Real-Life Example of Remote Work Success
- How to Protect Your Company Against Cybersecurity Attacks. CLDA

# CLDA Member Benefits Program Helps Members Save Thousands

Want to save money on everything from gas, to truck rentals to insurance? Look into the CLDA Member Benefits Program. Sixteen companies offer members substantial discounts on the products and services they use every day in their businesses. And the list keeps growing. Members that take advantage of the programs often save more than the cost of their dues to the association.

#### Participating companies include:

- ADP
- BizChoice Transportation
- Budget Truck Rental
- CAT
- Front
- Hub
- Integrity Medical Courier Training
- Momentum Groups

- National Facewear
- Penske Truck Leasing
- Premier Background Screening Services
- Robinson Oil Corporation
- Shoes for Crews
- T&K Apparel
- Tickets at Work
- UPS

Begin saving today. Click here to start.

Have an idea of a product or service you'd like to be involved in this discount program? Contact Member Benefits Committee chair, <u>Joel Pinsky</u>.



We are proud to welcome our newest members to the CLDA family. These companies are now part of the largest and most influential logistics and delivery association in North America.

We encourage our current CLDA members to reach out and offer a warm welcome to these new members. There is no better time to build new connections and find opportunities to work together.

#### Logisyn Advisors - Chicago, IL

Logisyn Advisors takes pride in its unique approach to mergers and acquisitions (M&A) within the global logistics sector. Our company was founded to assist industry business owners either grow through acquisition or maximize their value in a financial exit. We work with both domestic and international logistics companies searching for a strategic partner and also advise international corporations looking to expand their global footprint. Our executives bring decades of deep domain expertise to the table to help you make the ideal next step for your business.

Find us on Facebook, Twitter, or LinkedIn

#### **Interstate Courier Service, Inc. – Tampa, FL**

Interstate Courier Service Inc. is a full-service courier service, licensed and bonded, who can provide tailored courier service to meet the individual needs of our clients. We have a fleet of varying size vehicles and the personnel to meet our goals. We can successfully arrange local, intrastate, and interstate deliveries during routine business and after hours and complete tasks in an expedited time. Our warehousing is the quintessential just in-time inventory solution and our forward stocking location handles anything from medical repair parts and supplies to medical necessities and more.

Find us on Facebook, Twitter, or LinkedIn

#### All Reasons Moving Inc. - San Jose, CA

Since 1991, renters, homeowners, and commercial businesses have trusted All Reasons Moving and Storage to provide white glove relocation services. For years, we have been recognized as one of California's most trusted moving companies. Now having partnered with Stevens Worldwide Van Lines, we are quickly becoming one of the most trusted moving companies around the globe. We are not some faceless transportation company; we are a woman-led, San Jose based moving and storage company with a team of professionals devoted to serving our clients!

Find us on Facebook or LinkedIn

#### **Consolidated Delivery Company – Jessup, Maryland**

For over 25 years, Consolidated Delivery has aimed to make our clients happy shippers. Consolidated Delivery offers custom routed delivery services to clients with ongoing delivery needs. Whether you need daily, weekly, or monthly deliveries, we can design an economical and reliable system that works for you. Our drivers deliver throughout areas of Baltimore, DC, Virginia, and the Eastern Shore on a daily basis.

Point of Contact: Robert Holderfield

#### **Bon Voyage Transport - Maplewood, NJ**

Bon Voyage Transport was founded in September 2015 by Almaurice Russ. Almaurice spent years building a company from scratch, striving to make a legacy for his family. As the famous quotes says, "If you want to go fast, go alone. If you want to go far, go together." Bon Voyage Is a family owned business that services the tri-state area. We treat our customers with care to ensure that we provide exceptional service at affordable rates that abide by your budget.

Point of Contact: Almaurice Russ

#### CourierBox SAS - Bogotá, Colombia and Doral, FL

CourierBOX, the commercial brand under which the International Casillero service is operated, is owned by Auropaq SAS, a Colombian company that is part of the Auropaq group, made up of several companies that provide logistics services to international trade since 1978. Its trajectory in the locker market since 1998, allows it to offer an innovative service with its own technology, the best cost / benefit advantages, and the most complete logistics infrastructure for nationalization and deliveries, with national coverage; all framed within the security and legality parameters required by government regulations. The operations center in Bogotá, Colombia is located within the primary cargo area of the Eldorado International Airport, allowing it to be the locker company with customs inspection in its own facilities, which translates into greater agility and security for the customs inspection process.

Find us on Facebook

#### Intellifreight, Inc. - Hayward, CA

Intellifreight has grown to become a safe and reliable company dedicated to servicing our clients 24 hours a day and 365 days a year. At the heart of Intellifreight's success is a proven ability to consistently exceed our client's expectations in quality, cost, and delivery. Since our company's inception, we have built a reputation on the level of commitment we show our clients and our ability to adapt efficiently to their needs.

Point of Contact: Riyo Liamsithisack

#### **CUSTOMIZED LOGISTICS & DELIVERY MAGAZINE**

#### **EDITORIAL**

Editor/Content

Andrea Obston

CLDA Director of Public Relations

aobston@aomc.com

#### **EDITORIAL ADVISORY BOARD**

Tim Cocchia, Xcel Delivery Kenya Guess, BonnieSpeed Logistcis Ruth Ospino, Tempo Transportation, LLC Melanie Rogers, Richmond Express Brian Surber, Priority Dispatch Ryan Schwalbach, NOW Courier

#### **ART & PRODUCTION**

Adele Yeager Design <u>yeagerdesign@comcast.net</u>

#### **ADVERTISING CONTACT**

Ruth Ospino, <u>ruth@tempotransportation.com</u>

The Customized Logistics & Delivery Magazine is a quarterly publication by the Customized Logistics & Delivery Association (CLDA).

To subscribe, email Caleb Hudzik, <u>caleb@clda.org</u>
To advertise, email Ruth Ospino, <u>ruth@tempotransportation.com</u>



#### **CUB Works with Capstone Logistics on Last Mile Grocery Delivery**

CUB and Capstone Logistics are collaborating to bring grocery and liquor deliveries to Minnesota residents. Capstone will be deploying 300 independent contractors to 80 grocery stores and 27 wine and liquor stores.

CUB selected Capstone because of its cost-saving delivery model, powered by its proprietary MileZero platform. The technology optimizes route planning and synchronizes deliveries to multiple store customers, creating efficiencies and reducing costs. Delivery information is shared in real-time with the consumer and CUB through a white-labeled app.

"Today's consumer is busier than ever, and they shouldn't be treated differently if they can't find time to purchase their groceries physically in one of our stores. Our new online grocery pickup and delivery experience allows us to better deliver on our My CUB, My Way promise, giving customers who shop at CUB access to the same benefits and experience whether they prefer shopping in our stores or online through curbside pickup or home delivery," said Chad Bersie, director of e-commerce at CUB.

"Our grocery delivery solution provides the technology and logistics execution retailers need to offer omnichannel fulfillment," said Jon Rydel, EVP of Capstone's Last Mile division. "As online grocery sales continue to skyrocket, improving service needs to be a priority; and with Capstone Last Mile, retailers can offer their own branded solution that improves the total customer experience." CLDA

#### **ABOUT CAPSTONE LOGISTICS**

Capstone Logistics is the leader in providing specialized, technology-enabled solutions for the most challenging supply chains. Powered by an interconnected platform, Capstone creates end-to-end efficiencies and cost-savings that help suppliers, distributors, and retailers exceed customer expectations. From performance-driven labor solutions to high-touch transportation and fulfillment, Capstone delivers the scale, accountability, and continuity that enables modern supply chains to compete in an ever-evolving environment. To learn more, visit www. CapstoneLogistics.com.

#### **ABOUT CUB**

CUB, based in Stillwater, Minn., was established in 1968 as one of the nation's first discount grocery stores. The organization, which is owned by parent company UNFI, operates 80 grocery stores in Minnesota and Illinois, each of which offers a wide selection of fresh products and great values throughout the store to meet consumer's everyday grocery needs. As the hometown grocer for over 50 years, CUB has made it a priority to be a good corporate citizen by helping to create healthy and thriving communities that enhance the quality of life for its customers, employees and neighbors. For company news and information, follow us on Twitter® at @CUBFoods and Facebook® at www. facebook.com/CUB. or visit our website at www.CUB.com.





### Excel Courier, Inc. Celebrates Their Drivers During Driver Appreciation Week, September 13-17th



From September 13-17th Excel Courier, Inc. celebrated Driver Appreciation Week to recognize the hard work our drivers do. We're thankful to partner with every single one and wanted to acknowledge their efforts through an array of events that included daily raffles, gas gift card giveaways, customized jackets, special shout outs and driver profiles.

To echo many others, the past couple of years have been met with challenges. From pandemic adversity to labor shortages, our drivers met them with perseverance and eagerness to move lives forward. They believe in what they do.

Though at times it may seem like a thankless position, our company and clients appreciate what our drivers do. Our drivers are carefully and professionally transporting material that keeps their business flowing and their patients' healthy. Much like the time a driver, this past February, pushed through the heavy snowstorm in Chicago to deliver an organ in time for a live saving surgery. They literally helped save someone's life. Or this amazing compliment from a large diagnostics company:

"He is always on time and always arrives with a smile. He always comes prepared for whatever specimen we have; he always comes with his cooler and always has dry ice for my frozen specimens. So I always trust that he maintains the integrity of my specimens and that's very important for the quality that [client] promises to our patients. He is very flexible when specimens aren't ready, he is very accommodating and willing to wait. We really like him a lot and hope that you know what an asset he is to your company, because we consider him an asset to our team"

These are just a couple of the endless examples. Thank you to our drivers. We appreciate them today, this week, and all year long! Without them, we couldn't Excel. **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 35 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 in the Mid-Atlantic with nearly 200 drivers. More information on Excel Courier can be found by visiting <a href="https://www.excelcourier.com">www.excelcourier.com</a>.

#### **Todd Partridge Named CEO of The Movelt Companies**

Todd Partridge was recently named CEO of The Movelt Companies, capping off his 32-year career with the specialized "white glove" logistics company.

In his new role as CEO, Todd says he would like to continue to increase the companies' focus on "hands on" services for sensitive and high-value freight, and continue the



growth across all sectors of the three MoveIt Companies; Blanket Wrap, Truckload, LTL, Distribution and Supply Chain Management

"I'd also like to continue to develop MoveIt's family- friendly and compassionate workplace, with an ongoing emphasis on community mindfulness and environmentally-friendly best practices - like our 100% solar energy initiative and our state-of-the-art headquarters 'green' building," he says.

Formerly the Vice President of Operations, Todd began working summers at Movelt while he was in college. After graduating from university, he worked as the Marketing Director for a credit union for two years, and then began working with Movelt full-time. During his career he has worked a variety of positions, including sales, marketing, and domestic and international freight.

A self-proclaimed "techie" (who started in freight and logistics pre fax machine technology), Todd states that he has been amazed at the technological tools that have proliferated since MoveIt began in 1979.

"In 1993 I registered "MoveIt.com," ahead of the dot.com explosion. We were one of the early companies to adapt instant messaging, email and a centralized database as tools to enhance communication and productivity. My main mission and focus have been to keep us on the leading edge of that curve."

In the 43-year history of MoveIt, Todd said he has watched many families be a part of their success. "I take genuine pride in the fact that the team members at MoveIt have, on average, been with the companies for over 15 years."

"This year, there is a third-generation employee family member joining the MoveIt team," he added. "That makes me really happy for the future of the company." **CLDA** 



#### Delivery Drivers, Inc. Puts 'Drivers First' with New iWorker Innovations Partnership

Delivery Drivers, Inc. (DDI), a leading third-party human resource and management firm specializing in last-mile labor solutions, announces a new partnership with <u>iWorker</u> Innovations to offer personal, financial, and educational benefits to their network of 1099 driver-partners.

"DDI has always been an advocate for our last-mile workforce and we strive to provide value to their personal and financial lives, especially as we've grown to more than 120,000 driver-partners in the past year," says Founder and CEO Aaron Hageman. "As we remain in-tune to our drivers needs, we've found they request customized incentive programs and we're proud to offer a solution."

There are currently 59 million independent contractors in the U.S. (Upwork.com) and at the current growth rate, is expected to account for 50 percent of the total U.S. workforce by 2028 (Statista.com). Both DDI and iWorker Innovations are keeping pace with this expansion and offer a solution to empower workers with individual benefits that are group-rated.

Through DDI's AI integration onboarding module, driver-partners can access a suite of fully-integrated benefit solutions 24/7.

- Self-Serve: Designed for people on the go who need things like roadside assistance, windshield repair, car rental, travel, computer discounts, and more.
- Personal Care: A program tailored to those that may need access to healthcare plans, telehealth, virtual primary care, and identity theft protection.
- Financial Fitness: A program focused on providing life, accident, and critical illness coverages. This package also includes identity theft restoration, a debt management program, and more.
- Educational Development: This program is focused on providing a 50% tuition discount to those that may want to pursue a degree, certificate program, or are considering going back to college virtually.

The DDI-iWorker partnership is a powerful combination, "we are excited and grateful to be working alongside DDI," states Hollie Heikkinen, iWorker Innovations, CEO. "Together, we are leading the way in working with Independent Workers by demonstrating socially and ethically responsible initiatives."

iWorker has created a robust portable benefits program specifically designed for DDI's driver partners. This program gives them access to portable health benefits, life, accident, and other insurance products, along with relevant resources and educational development opportunities. Heikkinen notes, "It's a win-win! Showing appreciation and crafting voluntary solutions that enhance the lives of the millions of gig workers should be every executive's top CSR initiative. The drivers have access to the resources that they need the most and it provides DDI with an opportunity to act on their initiatives. As an added benefit, these programs assist with attraction and retention of workers." CLDA

#### ABOUT DELIVERY DRIVERS. INC.

Delivery Drivers, Inc. (DDI) was founded in 1996 and is a third-party administrator with a singular focus – to bring Human Resource and Driver Management solutions for business owners operating with independent contractors. DDI's mission is to serve, provide advocacy and leadership to independent contractors in the global gig economy. DDI's business model helps companies find and onboard top-quality independent contractors and assist with accounting and tax services - all while providing compliance and legal expertise. www.ddiwork.com

#### ABOUT IWORKER INNOVATIONS, LLC

iWorker Innovations, a Platform-as-a-Service (PaaS) national insurance brokerage and association management enablement provider - serving organizations and businesses with turn-key benefit solutions for Independent Workers. We work directly with lead organizations, associations and government agencies to clearly define what benefits programs can be offered to their Independent Workers - and to secure those critical benefits.

More info: iWorker Innovations: Independent Worker Benefits



### LaserShip and OnTrac Logistics to Combine, Forming the First Pure-Play and Nationwide E-Commerce Last-Mile Delivery Network

LaserShip, Inc., the largest regional e-commerce parcel carrier in the U.S. and leader in last-mile delivery operating primarily in the eastern United States, and OnTrac Logistics, Inc., a leading e-commerce parcel logistics company operating primarily in the western United States, recently announced that they have entered into a definitive agreement to merge. LaserShip is a portfolio company of American Securities and Greenbriar, and both will provide additional equity financing and continued strategic support for the combined company.

The combined company will bring together two complementary operating footprints across the United States. It will be the only pure-play national e-commerce solution in last-mile parcel delivery and will enhance customers' ability to meet growing demand in the consumer delivery market.

To ensure continued exceptional service through the holiday season with expectations of heightened shipping volumes, LaserShip and OnTrac will not begin to link their networks until 2022 and will operate independently until that time.

"We are thrilled at the prospect of this combination, joining two companies that share a culture of world-class service and that mark the future in e-commerce last-mile delivery at scale," said Will Manuel, Chairman of the Board of LaserShip and a Managing Director of American Securities.

"This merger of two strong companies is a testament to the extraordinary efforts of our team members to build a leading parcel carrier and logistics business," said Mike Roth, Board member and interim CEO of LaserShip. "With OnTrac, we will use our combined best practices and scale to support customer growth and provide excellent opportunities for our associates."

"As our customers grow, so do their shipping needs," said Robert E. Humphrey, Jr., Chairman and CEO of OnTrac. "By joining with LaserShip, we will be well positioned to continue innovating and providing leading service for shippers, and faster delivery for consumers. It's the next chapter in our steadfast commitment to the 'On-Time for Less' promise we make to our shippers with every package, every day."

#### **ABOUT AMERICAN SECURITIES**

Based in New York with an office in Shanghai, American Securities is a leading U.S. private equity firm that invests in market-leading North American companies with annual revenues generally ranging from \$200 million to \$2 billion. American Securities and its affiliates have more than \$25 billion under management. For more information, visit american-securities.com.

#### ABOUT GREENBRIAR EQUITY GROUP

Founded in 1999, Greenbriar is a private equity firm managing over \$6 billion of total committed capital focused on investments in market-leading services and manufacturing businesses. Greenbriar looks to identify companies with proven management teams capitalizing on strong long-term growth prospects that can benefit from Greenbriar's deep sectoral expertise and strategic insight alongside our proven operating capabilities and network of senior executive relationships. <a href="http://www.greenbriarequity.com">http://www.greenbriarequity.com</a>

Does your company have news you would like to share with the readers of the Customized Logistics & Delivery magazine? Did you move? Add new services? Get an award? Become involved with a community project? Reach an important milestone? Let us know. Members of the CLDA may send their news to: Andrea Obston, CLDA Director of Public Relations, aobston@aomc.com.



#### Florida Messenger Association Annual Conference Coming in January

The Florida Messenger Association will hold its annual Winter Conference on January 28 and 29 near Orlando. The theme of the conference is The Language of Leadership Success. This is the 12th annual conference for the organization.

The keynote speaker for the conference is Dr. Dennis Cummins, an internationally acclaimed speaker, trainer and best-selling author. He has been sharing his real-world strategies for business mastery and leadership communications from the stage for more than a decade.

The conference will also include networking opportunities, workshops, panel discussions, breakout sessions and exhibits that will showcase the latest technology and services in the delivery industry. The conference is designed to benefit owners and managers in logistics, delivery, and courier companies, as well as others who provide support for those in the logistics transportation industry.

Registration and hotel reservations are now available to all in the industry, whether or not they are members of the Florida Messenger Association. To register or for more information, go to Florida Messenger or email FMA President Dan Schutt. CLDA

#### **UFL Welcomes New Member Cornucopia Logistics Urban Freight Lab**

The Urban Freight Lab (UFL) is pleased to announce the addition of new member Cornucopia Logistics.

"Cornucopia Logistics is a fantastic addition to the Urban Freight Lab," said UFL Manager Andisheh Ranjbari. "They are passionate about tackling urban delivery challenges through innovative solutions, experienced with complex markets, and keen on improving safety and reducing transportation carbon emissions."

Founded in 2014, Cornucopia Logistics provides low or zero carbon emissions delivery service of ecommerce, grocery, and durable goods with a focus on urban markets. Cornucopia began using cargo bikes to help reduce carbon emissions and replace traditional gasoline vans in 2018. Since then, the New York-based company has expanded their fleet to about 250 cargo e-bikes.

"I'm thrilled to be invited to participate in the Urban Freight Lab," said Mark Chiusano, Cornucopia Logistics CEO. "I am passionate about reducing the carbon footprint, helping our planet, and digging into the problems and finding solutions with executing the final 50 feet of urban delivery."

The final 50 feet of goods delivery — a term coined by the UFL to describe the last leg of a product's journey from warehouse to customer, beginning when a vehicle parks at the curb and ending when the end-user receives their goods — is the most costly and time-consuming part of the delivery process. Locating available parking at the curb has long been one of the challenges that delivery vehicle drivers face in this space. In recent years, the

heightened demand for limited curb space (due to rising goods delivery, ride hailing usage, curbside pick-up, and shared micromobility) has made it even more challenging.

Chiusano first started working in the transportation industry as a foot messenger in New York City in 1978. "How times have changed," said Chiusano. "I've never been more excited to see what's next around the corner."

Cornucopia Logistics joins some of the largest players in transportation and logistics—carriers and shippers PepsiCo, UPS, and United States Postal Service; retailers Amazon and Nordstrom; infrastructure and operations technology provider REEF; real estate corporation Terreno Realty; and vehicle and vehicle part manufacturers Ford Motor Company, General Motors, and Michelin. The UFL is focused on finding solutions to urban goods delivery problems through collaboration between the public and private sectors, in the strategic research areas of the Final 50 Feet, Sustainable Freight, Curbspace Management, Zero Emissions Freight, and Modeling Freight Activity. CLDA

#### ABOUT THE URBAN FREIGHT LAB (UFL)

The Urban Freight Lab is a structured partnership of academic researchers, public sector agencies, and private sector firms — shippers, retailers, tech providers, property owners, and manufacturers — working collaboratively to identify complex urban freight management problems and design solutions to make industry more efficient and cities more livable and sustainable.



#### **Cornucopia Logistics Names Stuart Hyden New C00**



Avant, SW&L and Cornucopia Logistics is pleased to announce that Stuart Hyden has joined the company as COO of the combined companies, effective October 4th, 2021.

Most recently Stuart was the founder, CEO and partner in Fusion Logistics Inc, an innovative national logistics company which he launched in 2011. Stuart will remain the company's managing partner as

Fusion continues to build out their national presence.

Mark Chiusano, CEO of the combined companies commented "I couldn't be more excited to welcome Stuart on board as we continue the dynamic expansion of our business. Stuart and I have known each other for close to thirty (30) years and have often talked about how we could do something together. The timing was finally right" Chiusano concluded.

Prior to launching Fusion, Stuart was President of Velocity Express Franchising Group, a division of the parent company Velocity Express Inc. (Public). Stuart also severed as Sr. Vice President Client Services, for the parent company Velocity Express which he joined through the merger of Velocity and CD&L, Inc. (Public). Stuart held various senior Sales & Management roles with CD&L (public) which included leading a national sales team and the company's logistics division.

Stuart also held management positions at public companies Corporate Express, US Delivery Systems (merged)

CF Air, Emery Airfreight, Purolator Courier (merger) and Greyhound Bus Lines. Stuart worked in the private sector at Priority Dispatch and All Florida Messenger Delivery Service (AFMDS) holding sales and management positions. AFMDS later merged with US Delivery.

Stuart has been very involved in various industry associations, serving as:

- Board Member Express Carriers Association (ECA) 2002-2011
- ECA President from 2008-2011
- Co-chair ECA Bylaws committee (2005-Current)
- Co-Founder & Co-Chair of the Carrie Ehlers Scholarship Fund (2008-current)
- Member Government Affairs Committee, Florida Messengers Association (FMA)

Stuart graduated Cum Laude from the University of Cincinnati with degrees in Economics & Marketing (LASS) and a minor in Marketing. **CLDA** 

#### ABOUT AVANT. SW&L AND CORNUCOPIA LOGISTICS

Avant, SW&L and Cornucopia Logistics specializes in e-Bike delivery, messenger centers, foot messengers, warehousing and distribution services with thirty (30) locations and over 1,000 employees throughout Manhattan, New York, New Jersey and Connecticut. The companies are members of the CLDA, NYSMCA and Urban Freight Lab. CEO Mark Chiusano is Past President of both the CDLA and NYSMCA and is currently serving as Co-chair of the CLDA's Government Affairs Committee and Chair of the NYSMCA Government Affairs Committee.