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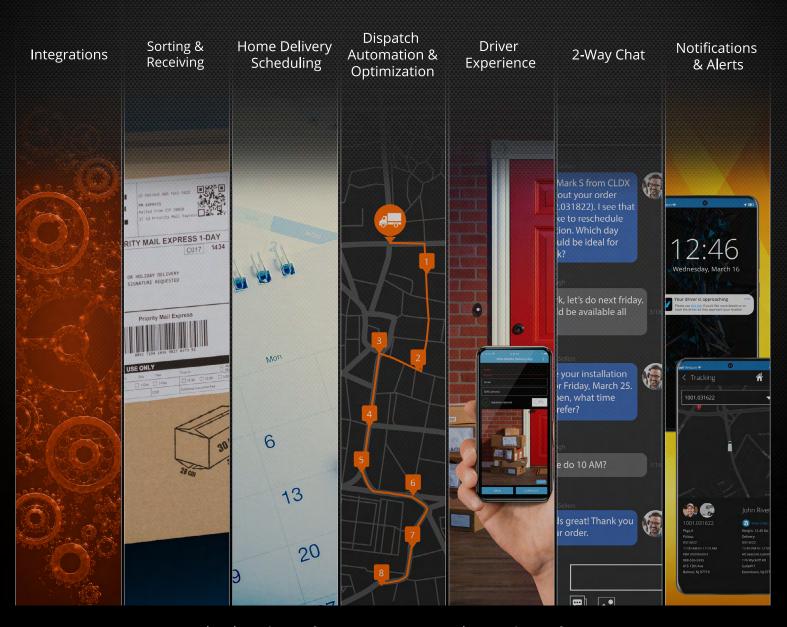
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# Delivering Final Mile Technology to Carriers









Get a head start on your 2023 planning with some of the tools in this issue. You'll find out how to set the table for next year with your people, your technology and your impact on the environment.

We've assembled the resources to help you grow your business and attract the people you need to make your customers happy. Check out these articles for some of the factors you'll want to consider as you plan for a successful 2023:

- People-Powered Trends for 2023 on page 14
- Four Tech Trends That Will Impact Last-Mile in 2023 on page 20
- Trends That Will Impact M & A Activity in the Last-Mile Space in 2023 on page 26
- 2022 Legal Trends That Will Continue into 2023 on page 46

There's also an overview of our highly successful Final Mile Forum in Miami on page 54, complete with a photo collage on page 64 that showcases some of the excitement of this event. You'll also get a chance to recapture the exhilaration we all felt with the awarding of our 2022 Hall of Fame honors on industry veteran John Benko. Check out the story of his journey on page 72. If you were at the 2022 FMF, we hope these pages evoke some of the energy from those three days. If you couldn't make it, you'll get a sample of what these conferences deliver to whet your appetite for our 2023 Final Mile Forum in New Orleans in February 2023.

And now, let me give a shameless plug for our next event, the 2022 Executive Leadership Summit on October 6. The theme is "Pathway to Prosperity in Extraordinary Times." There's still time to sign up your company's leaders and up-and-coming leaders for this annual on-line, skill-building workshop.

This is the last time I'll have a few moments with you before we're up to our necks in Holiday Peak (and, by the way, there's a story on page 50 to help you plan for it). Let's take a few moments before the craziness begins to remind ourselves of the key role each and every one of us plays in delivering what people need and want every day of the year.

Let's Do This, Jason G. Burns, Sr. President



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

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### **Government Affairs**

BY DREW BRACKBILL, CLDA MANAGER, **GOVERNMENT AFFAIRS** 

In today's Washington, it is unusual for any substantial legislation to make it across the finish line unless it has become an absolute political necessity. Congress makes dozens of minor tweaks every year - renaming Post Offices and regional airports, mostly - but in the last decade "major" legislation is passed, at most, perhaps once each election cycle.

We saw this with the passage of Obamacare during Obama's first term and the Tax Cuts and Jobs Act passed during the Trump administration. Generally speaking, the rule of the game today seems to be that each President gets one major bite at the apple – and further attempts to pass sweeping reforms are generally not successful. Usually, a president has the first two years of his first term to make law, because midterm elections are usually a referendum on the performance of a given president, and most recent presidents have not maintained a majority in congress during their full terms of office (George W. Bush's first term is an exception – Republicans maintained the House and Senate in 2002. Since Bush, every sitting president has lost the House during his first midterm election and never gained it back). After the midterms, then, the president must make do with tinkering along the margins via the use of federal agencies and the administrative state. This means that major bills usually only get passed in the first few years of a president's first term, and then only because the majority party knows they are not going to get a second chance. This means that nothing major passes Congress anymore unless it is a very



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 Andrew Brackbill at andrew@ clda.org.

high priority for the ruling party – the leadership does not want to spend precious political capital on second or third-tier priorities.

Aside from the one major "reform bill" each president is entitled to, the only other kind of sweeping legislation that gets passed these days seems to be "emergency rescue spending." It seems that every few years the country is confronted by a new economic crisis which must be mitigated by massive spending and aggressive monetary manipulation by the Federal Reserve. The \$800 billion Emergency Economic Stabilization Act of 2008 was passed on bipartisan lines after George Bush pushed Congress to pass it. The \$831 ARRA passed in 2009 in response to the Great Recession – and passed the filibuster in the Senate only with the aid of three critical Republican votes (from Olympia Snowe, Susan Collins, and then-still-Republican Arlen Specter). The COVID-19 relief acts passed on a bipartisan vote in early 2020 (topped off by the \$2 trillion dollar CARES Act). All of these passed because of political necessity. The governments of the time needed to be seen doing something to alleviate the economic turmoil of the day. Although the American Rescue Plan Act of 2021 (another \$2 trillion dollar spending bill) passed without any real bipartisan support, it too was a "rescue" spending bill aimed at demonstrating action against an ongoing crisis.

One last example supports the "political necessity drives lawmaking" argument: the one item of major legislation passed along bipartisan lines in recent years. This was the Infrastructure Investment and Jobs Act of last year. The IIJA was a thoroughly un-exciting bill passed with strong bipartisan support to address a topic that was not the core of either party's electoral platform. While President Biden did campaign on a promise to fix America's crumbling infrastructure, this is hardly a wedge-issue

for Americans. Recall that Donald Trump also made major campaign promises surrounding infrastructure investment. No, infrastructure investment passed because America's bridges were falling apart, and it was time for Congress and the Administration to do something substantial about the issue. In other words, it needed to happen.

However, although infrastructure was a focus of Biden's campaign, IIJA may not have been enough of a "major reform bill" to satisfy the president or his constituents. Perhaps President Biden felt that he had not had a chance to make his mark in the same way as his predecessor Obama had – we do know that Biden was pushing hard for passage of major social-issues legislation in the form of his Build Back Better bill. And beyond that, it's difficult to appease a base that cares most deeply about issues of race relations and environmental policy with a bill that focuses on fixing American railroads. The Biden Administration still had a few months left before the midterms and nothing really substantial passed to rally support from the Democratic base. In other words – they needed to do something else. So that brings us to the latest bill to pass the president's desk – the Inflation Reduction Act.

Why did the IRA move so quickly from inception to passage? Why is a climate change bill disguised as "inflation reduction?" The explanation of political necessity answers both of these questions. For months, Senator Joe Manchin (D-WV) was an obstacle to Democrats' policy priorities. He halted work on the Build Back Better legislation several times, starting and stopping negotiations over various parts of the bill. In mid-July, the political trade press and mainstream media reported that Manchin had yet again put a stop to the Democrats policy agenda, citing inflation concerns as Manchin's reason for

abandoning the climate change and tax provisions of the BBB.

But then, on the evening of July 27, the news emerged that Senator Joe Manchin (D-WV) and Senate Majority Leader Chuck Schumer (D-NY) had been engaged in secret negotiations about a reconciliation package even after the Build Back Better bill "fell through". Manchin's bill, eventually titled the "Inflation Reduction Act," passed the Senate via the reconciliation process on August 7, which required a tie-breaker vote from Vice President Kamala Harris, and then passed the House on a party-line vote, on August 12. This is rapid progress by the standards of today.

So, what happened? The secrecy of the move surprised many observers, but those in the know had been hearing from sources connected to Senator Schumer that the Senate Majority Leader was highly optimistic BBB would eventually pass. It appears that, in a certain form, it has. Joe Manchin has put a new title on the bill, with an ostensible focus on relieving inflation, which undoubtedly has hit his constituents hard. But the core of the bill is still largely tax and environmental provisions. Thankfully for CLDA members, the most-damaging parts of the BBB - the "PRO Act" which would have threatened the use of the Independent Contractor model – have been left behind in the BBB's transformation into the IRA.

Less thankfully, the legislation contains very significant tax implications. For companies with more than \$1 billion in average annual income, there is a new 15% minimum tax in tax years after 2022 on the income corporations report on their financial statements, or "book income." But even for companies with smaller income amounts, the bill will have tax implications due

to increased funding for the IRS. The Internal Revenue Service has been allocated \$80 billion dollars over the next nine years and is expected to collect \$203.7 billion in new revenue as a result. There have been reports that the IRS will use these funds to increase its workforce, potentially adding another 87,000 new employees.

While the Treasury has downplayed the reports about an army of new auditors, claiming the extra funding is destined to help fill holes caused by IRS employees set to retire soon, the Treasury has not explain how the IRS is meant to raise the projected \$203.7 billion in additional revenue the government wants it to raise without resorting to harsher enforcement. In fact, the lion's share of the \$80 billion allocated to the IRS by this bill will go to enforcement activities.

So, every business and every taxpayer must be aware that the IRS is likely to step up the frequency of its audits. And while the Administration has claimed that the increased audits coming down the line will be focused on the wealthy, those earning more than \$400,000 in income ever year, the math on that claim does not hold up very well to scrutiny because high-income taxpayers will, of course, have more resources at their disposal to ensure tax compliance. This is born out by GAO reporting. A GAO report from 2021 found that, from fiscal years 2010 to 2021, "the majority of the additional taxes IRS recommended from audits came from taxpayers with incomes below \$200,000." Even with a beefed-up auditor corps focusing entirely on those earning more than \$400,000, the government will not likely hit its \$200 billion-plus revenue targets. Many analysts, in expressing their doubts about the Treasury Department's ability to extract more than \$200 billion dollars from the super-wealthy, suggest that the remainder of that projected revenue will have to come from the middle class.

The Inflation Reduction Act also contains new tax measures aimed at decarbonization. There are tax incentives for green energy projects, including power generation and home and corporate energy efficiency improvements. It also offers a tax rebate for purchasers of electric vehicles, including commercial vehicles, which is a change from past EV tax credits. The Act directs DOE to clear the way for wind energy investment, as well as opening up new oil and gas leases, and provides for DOE to make large loans for energy infrastructure projects. There is also a \$12 billion spend on EPA greenhouse gas reduction programs, and a measure which would fine oil and gas producers for excess methane emissions.

Besides its greenhouse gas provisions, the bill also contains funding for other environmental priorities, including a sizeable spend on drought mitigation, and smaller amounts for electric buses, sustainable aviation fuels, climate research, coastal conservation, supporting low-emission building materials, and assorted other environmental projects and priorities. The Postal Service would also receive \$3 billion to move to electric delivery vehicles, with \$1.29 billion for purchasing zero-emission delivery vehicles and \$1.71 billion for installing the necessary infrastructure to support the vehicles at USPS facilities.

From a healthcare perspective, the Act would extend through 2025 the temporary expansion of Affordable Care Act (ACA) health insurance premium tax credits. This means larger credits for those with household income between 100% and 400% of the federal poverty level (FPL), as well as expanded eligibility to those above 400% of the FPL. These popular ACA subsidies were scheduled to expire after 2022. The Act also directs the Health and Human Services Department to establish a "Drug Price Negotiation Program", which will negotiate

a maximum price of high-cost prescription drugs beginning in 2026 for Medicare Part B, which covers medicines administered in a medical setting, and Part D, the program's prescription drug benefit.

All of these things - from the promise to "make the rich pay their fair share" to the billions of dollars allotted to environmental policy issues, to the expansion of Obamacare subsidies - are major policy priorities for Democrats. The Inflation Reduction Act, then, is a political victory for a Democrat party that really needed a win before the midterms. Whether it will actually reduce inflation is another matter - economic analysts at University of Pennsylvania's Penn Wharton Budget Model have suggested that its impact on inflation will actually be slim to none, at best. Apparently, the Inflation Reduction Act "would reduce annual inflation by around 0.1 percentage points in about five years." In plain English, the Inflation Reduction Act will not actually reduce inflation at all.

However, at bare minimum, it is a "win" for Democrats passed without the more dangerous provisions of the Biden Build Back Better package. CLDA's Government Affairs efforts have focused on keeping the anti-independent contractor PRO Act out of any major legislation passed by this Congress and these efforts have been successful. And with a second "major" piece of legislation passed in his first two years, it seems that the window for President Biden to make any more sweeping changes to America's legal structures has likely closed. Now, CLDA must turn its attention to the Administrative state, as we await the details of a proposed rulemaking about employee classification from the Department of Labor.

The DOL's new IC rule is now under review at the Office of Management and Budget and has been at this stage for more than a month. This means that the rule was not earmarked for fast-tracking and OMB's Office of Information and Regulatory Affairs (OIRA) has indicated that the rule is "economically significant." OIRA will label a piece of regulation as "economically significant" if they determine that it is likely to have an annual effect on the economy of \$100 million or more, or seriously harm the economy, a sector of the economy, productivity, competition, jobs, the environment, public health, or safety. When OIRA receives for review an "economically significant" regulation, the agency which wrote the regulation has to provide (among other things) a more detailed assessment of the likely benefits and costs of the regulatory action, including quantifiable data about what those effects will be, as well as a similar analysis of poten-

tially effective and reasonably feasible alternatives.

All this means that we know DOL's new rule will be a big one, and we know it will probably have serious impacts on our sector and others that rely on the independent contractor. We also know it will require longer review, and hopefully a longer comment period so that CLDA and other stakeholders can review and comment on the proposed regulation. CLDA will put out the best possible effort to advocate for our industry and what we kno: that most independent contractor drivers prefer the lifestyle of an IC to that of an employee, and that independent and flexible work arrangements are a valuable part of the modern American economy. CLDA

### Your Support Helps Us Stand Up for You

As always, your Government Affairs Staff will keep you informed and will continue to fight against all threats to the industry. In light of coming regulatory actions by the Department of Labor, we believe that now is a critical time for CLDA's efforts in this space. We hope more of you will come forward to support our efforts, and we deeply appreciate those of you who already given so much to make a difference.

If you are interested in getting more involved by giving us some of your time, please contact us. If you are interested in supporting our efforts financially, then consider donating to the CLDA Advocacy Fund. The fund supports all CLDA's advocacy and government affairs efforts entirely through donations from members.

We have some members who give a regular monthly donation, and some who prefer to give once a year or on a quarterly basis. Any amount helps our efforts. Our largest donors support the Advocacy Fund to the tune of a few thousand dollars a month, but probably the most common contribution is a recurring monthly \$100 donation made automatically by credit card. Many of our most dedicated CLDA volunteers count themselves in this "monthly \$100 club" and their donations do really help us to keep doing what we are doing every month.

If you want to give a single donation, you can do so here. Our system is set up to take one-time contributions from \$25-\$2000 through that portal. If you would prefer to set up a recurring monthly donation, we can set you up as a recurring credit card donor if you would like. Thanks again, and please contact us anytime with questions or to get more engaged.



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How will last-mile companies get and keep great talent in 2023? Will hybrid work and flexible scheduling be the antidotes to the Great Resignation? And will older workers be the new source for building a great team?

BY ANDREA OBSTON
CLDA DIRECTOR OF PUBLIC RELATIONS

e put these and many more questions to three experts, each with a unique perspective on the people power it will take to put a great team in place in 2023.

Here's who they are and what they told us:



Gene Marks is a columnist, speaker, and president of The Marks Group PC. He presented one of the most popular sessions at CLDA's recent Final Mile Forum.



Pete Punwani is Practice Director at Global Executive Solutions Group, which provides executive recruiting for transportation, logistics and supply chain companies.



Loi Le is a Client Solutions Manager at the Kelly Anderson Group, a transportation consulting company that provides recruiting, retention, e-Learning, and safety-related solutions.

All expect our industry to grow in 2023 and each had his own perspective on getting and keeping the people who will make that happen next year.

CLDA Mag: What are the three biggest trends involved in the human capital part of the logistics industry that we will see in 2023?

#### Marks:

- 1. Changes in independent contractor rules These rules are under review now by DOL. Changes in them will have a major impact on the transportation and logistics industry.
- 2. Interest in flexible scheduling Employees will continue to look for options to work from home, work a four-day work week and have unlimited paid time off. Companies looking to attract top talent will need to look for ways to incorporate some or all of these options.

3. Awareness of mental health issues – The impact of mental health issues is something management needs to be aware of, especially when it comes to younger workers.

#### Punwani:

- 1. Talent shortages –The shortage of top talent in 2022 will continue. Finding that true 'A Player,' especially in final-mile, will continue to be a challenge. These are the type of people that drive in revenue at a higher rate, optimize costs in ways no one thought possible, and maximize profitability that allows every employee to win.
- 2. Flexibility Like Gene, I see this as a major issue that will continue to have an impact in 2023. Employees will continue to look for positions where they can work from home or take personal time when they need it. In this human capital market, you must look at situations differently than you have in the past. At first, solutions may be different than what's been comfortable for management in the past. For example, focusing more on production than on hours worked when evaluating team members
- 3. Defining career paths This will be especially important for retaining 'A Players.' These top team members need to see five- and 10-year plans if you want to keep them.

#### Le:

1. Housing provisions – These may very well be the new incentive to get and keep good team members. Rising housing costs are becoming an immense struggle for families. Even two-income families are finding it challenging to see a pathway to homeownership. For many, renting is difficult as well. Milton Hershey realized the need to provide quality housing and other benefits for his employees in the 1900s. His efforts developed a significant workforce and helped build his company. This idea may come back in style to attract the workers you need in 2023.

- 2. Workweek scheduling Like the others in this discussion, I see this as a critical issue in 2023. I have no doubt there will be continued pressure to change what was the typical workweek. Flexible workdays and shortened workweeks will be highlighted in job ads to attract talent. People are looking for increased home time. In addition, the desire for part-time employment will likely increase because many households will need to find extra income to keep pace with inflationary costs
- 3. Nomadic employees and the quest for simplicity The desire for simplicity tops the goal for the nomadic employee. Some may argue this is part of a utopian dream, but people are searching for simplicity in their daily work life, and they will move on from a job rather quickly if it doesn't make them happy. A happy work environment is part of being a happy person at home. The employee who sees work as adversely affecting quality recreational time will move on in search of another job.

CLDA Mag: What trends do you see receding in 2023?

#### Marks:

The pandemic will diminish and the safety and the workplace issues around it will as well.

#### Punwani:

Despite the emphasis on developing new ways of working, I expect that some companies will shift back to some form of in-office time. In 2023 there will be some businesses that, at the very least, will need to go to a hybrid model. In these situations, working without ever coming into the office or being hours away may not work.

I also expect to see a decline in the number of employees changing jobs. Last year numerous people started new jobs. Many are still getting established in those jobs. They are still in the Honeymoon Phase and will be hesitant to take on new opportunities.

#### Le:

Today's employees have simply shifted the work agreement. Right now, they have the advantage due to the high demand for workers. Things will begin to shift in 2023. Employers will be need to seriously scrutinize the quality of their services. Did they put the right people in roles in their haste to fill positions? They will put a premium on staff who are able to deliver great service.

CLDA Mag: What should those in our industry change or update when it comes to making the most of their people within the next 12 months?

#### Marks:

Revisit mental health benefits. Change work-from-home/ PTO policies. Keep an eye on 1099 contracts. Address your retirement plans. These are all critical benefits that employees are looking for and in this tight labor market these may make the difference between hiring or losing a great worker.

#### Punwani:

There needs to be a focus on interpersonal skills and defining your culture. Now, more than ever, effective communication and transparency is what you'll need to keep your people engaged. Take the extra time to communicate to team members on where they stand and where they can go in your company.

Provide your team with a rewarding and worthwhile endeavor and you will thrive.

Commit yourself to having a dedicated culture so you can attract the right talent. Culture is all about having three to five core values and being consistently loyal to them. I have seen some of the most talented people leave organizations because they were not the right fit for that culture.

#### Le:

#### Two things:

- 1. Provide your team with a rewarding and worthwhile endeavor and you will thrive. People want to take care of their families and community. To be good at this they must also be content at home. Work-related stress affects our abilities to connect with our significant others away from the office.
- 2. Hire retirees! Inflation diminished the value of retirement accounts which means older individuals may be looking to work again. It is a great crowd, familiar with hard work and consistency making them good and dependable team members.

CLDA Mag: Why will 2023 be different for those managing people in the logistics sector?

#### Marks:

The labor market will soften, which will be good news for businesses. There will still be an excess of open jobs, but that number will decline. All of this is due to an inevitable economic slowdown.

#### Punwani:

Final-mile is one of the fastest growing modes of transportation out there. Between that growth, the boom in technology, and the changing workplace, the one constant for leaders will be the need to embrace consistent change. In 2023, I think the leaders who can manage both in-person and remote employees, will be able to think a few steps ahead, and fully adapt to policy changes, will be the most successful.

#### Le:

The federal government has increasingly impacted the logistics sector. Stay informed and prepared for upcoming regulations and changes. Doing so will help you properly respond to what's on the horizon. Opportunities will arise to put your company and people in the right place simply by being prepared with information.

#### CLDA Mag: What will be the most productive ways to attract new people in 2023?

#### Marks:

Employee referrals. Also, think about canvassing at retail/ restaurants to uncover people with energy, talent and drive who can be taught.

#### Punwani:

Having a defined culture and articulated career paths.

#### Le:

Have the best person involved in the hiring process. They should be good listeners who are able to discern what candidates want. Individuals speaking with candidates need to have the capacity to care, listen and empathize. Companies can gain traction in the area of staffing simply by focusing on the benefits important to a candidate. You may not win on pay or other areas, but you may be able to offer something unique and important to the candidate. The new hires you will want are the ones who are excited about the values of your company and the future ahead.

...provide a safe, fun, happy and flexible workplace. People want to enjoy where they work!

CLDA Mag: What will no longer work to get and keep good team members?

#### Marks:

Making people come to the office when they don't physically need to be there.

#### Punwani:

Micromanaging and focusing on hours put in versus total production.

#### Le:

A high turnover rate is going to wear everyone out. Empty driver seats will increase workload on current good drivers. If you do not have a good retention process, you will be stuck in the same cycle. Create a firm retention plan that includes reaching out, listening, and adjusting.

CLDA Mag: What will be the best ways to retain employees and independent drivers in 2023?

#### Marks:

Make sure your compensation is in the range of competitiveness by looking at sites like PayScale, Glassdoor and Salaries.com. Then provide a safe, fun, happy and flexible workplace. People want to enjoy where they work!

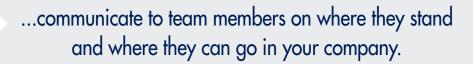
#### Punwani:

Recognition and rewarding performance. Even if it's just a pat on the back, or publicly expressing your appreciation for an employee who goes the extra mile.

You might also consider setting up an ESOP or another type of employee ownership plan. It is a hugely popular benefit that gives employees equity and a say in where they work.

#### Le:

Be a good listener and do not be scared to honestly let team members know what can and cannot be accomplished. Get involved with your team regularly! CLDA



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

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## Four Tech Trends That Will Impact Last-Mile in 2023



BY AKASH AGARWAL, CO-FOUNDER & CHIEF BUSINESS OFFICER, BEANS.AI

dvances in cloud computing and machine learning have made it affordable to run complex computations that were, a few years back, either impossible or too costly to run. For example, optimizing a route with 100 stops requires solving a  $100 \times 100$  matrix. Resources required to run that  $100 \times 100$  matrix four years ago can now be used to solve a  $300 \times 300$  matrix, which is nine times more complicated. As these advances penetrate the industry, we will see an array of trends that will advance the last-mile industry.

New trends impact an industry when there are significant pains being faced and compelling gains to be had. Last-mile is ripe with both in its current state. Customer's preference for same-day delivery is driving retailers to innovate, and, as a result, last-mile carriers are being called upon to support this new demand. But the old, legacy systems that the carriers are using were never designed to support this growth in demand while remaining profitable.

Here are a four trends we expect to take over the last-mile industry in 2023:

Trend #1: Carriers will move towards autonomous dispatch.

Trend #2: Precise maps with geocoded information about parking, access, and exact location data will become critical.

Trend #3: Customers will move to retailers who can provide them with better delivery ETAs

Trend #4: Software systems that leverage AI to improve every day and help users build their own data will replace static software systems.

#### Let's dive deeper:



Carriers will move to autonomous dispatching: Uber, Doordash and Amazon, have led a significant shift of consumer behavior towards same-day delivery. Eighty percent of shoppers want same-day delivery. Try to imagine a company like Uber hiring thousands of dispatchers to dispatch every ride or UberEats order. Not scalable, right? Autonomous dispatch is here to stay. The best way to think about it as a carrier is that it will help you reduce your dispatching costs by reducing your dispatch teams. It will make your best dispatchers even more efficient, and help you manage with about 75% fewer dispatchers.



### Customer's preference for same-day delivery is last-mile carriers are being called



Precise maps, with information about parking, access, and exact location data will become essential. Today's Maps aren't designed for deliveries. The biggest drawback is that they show the wrong location for about 30% of addresses. In addition, the maps represent each address with a single pin. A driver can't tell if that pin is on the 37th floor of the Salesforce Tower in San Francisco and that the delivery entrance is towards the back of the building, 15 mins away from where Maps navigated you. Industry-leading mapping services like Google Beans solved the last 100 feet by adding missing critical components that can help a new driver complete delivery without delay or failure. Important waypoints like:

- Parking: street, lot or underground
- Building entrance: main or service entrance, elevator location
- Delivery Policies: delivery lockers, doorstep or doorman
- Security: visitor badge, TSA, Prior security authorization

Information like this can reduce delivery times by a few minutes per delivery, lower failure rate by over 25%, and cut down driver time.

Customers will move to retailers who can provide better ETAs. Eighty percent of customers want a specified time of delivery. But only 40% of retailers offer delivery ETAs or time windows. Improved cloud computing and AI allows routing systems to estimate the time of arrival for each package far more effectively without draining the battery or cellular data on the driver's phone. Forty percent of online shoppers say that products took longer to get delivered than they were told at the time of purchase. And 41% of all shoppers switch to retailers who meet their delivery needs. Better ETAs allow customers more flexibility. They in turn help carriers reduce failed deliveries or re-deliveries. Customers who want accurate delivery time windows will find retailers who offer them, which will result in all carriers having to offer precise ETAs for their service.



Software systems that leverage AI to improve every day and help users build their own data will replace static software systems. Routing applications have the potential to collect data points such as order details, addresses, proof of delivery, delivery geocode, address geocode, address notes, pictures, customer notes, timestamps, driver ratings, driver tips, etc. Machine learning, coupled with the proper feedback mechanism can power modern systems to learn from historical data continuously. Every order delivered allows the system to:

- Improve upon delivered location
- Make better dispatch recommendations
- Learn traffic patterns for better ETA calculations

# s driving retailers to innovate, and, as a result, upon to support this new demand.



Over time these learnings can bring down operational costs significantly for customers. As carriers start seeing more benefits from the modern systems, they will be pressured to take advantage of machine learning in order to stay competitive.

#### How can shippers and carriers leverage these trends to get ahead?

We at Beans.ai are increasingly seeing that retailers and shippers are starting to build complex evaluation scorecards to rank their carriers. Failures and delays are costing shippers more now as they are losing customers faster now if the delivery doesn't meet their expectations.

#### For shippers: this means:

- Re-evaluate your address data vendors.
- Improve your checkout flow and incorporate robust address autocomplete and validation before the order is placed
- Leverage newer Address Data Index that are available which allow you to calculate better shipping rates and ETAs
- Ask your carriers about the routing software they are using. A good routing software can help your carrier reduce failed deliveries by 25%. Your carrier may still be beholden to archaic software which could be hurting your brand.

#### For carriers this means:

- Start investing time in AI powered routing and dispatch
- Look into AI powered software which can further help you build your own location data. It can cut down driver training by over 50%
- Re-evaluate your software vendors. It might be time to pull the plug if you have been asking for the same critical features for more than 18 months. **CLDA**



Akash Agarwal is Co-Founder & Chief Business Officer, at Beans.ai. Beans. ai maps apartments, dorms, hospitals, senior living facilities, affordable housing, vineyards and correction facilities to enable logistics, telecom, insurance and public safety partners to harness accurate geographical data for such high population density areas. For more information, go to beans.ai.

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BY ANDREA OBSTON
CLDA DIRECTOR OF PUBLIC RELATIONS

Will the explosive nature of M & A activity in the last-mile space continue into 2023? Or will the environment level off and normalize? And what should last-mile providers do to prepare for the next 12 months? Build a fortress or let down the moat and welcome the visitors?

he Customized Logistics & Delivery magazine put these and other questions to a panel of experts who are involved in various phases of the M&A process for their predictions about the future of today's red-hot market.

*They included:* 



Peter M. Berg, Principal & Last Mile Practice Leader at <u>TrueNorth Companies</u>. He handles buy-side due diligence for strategic and financial buyers; sell-side advising and business planning. He expects M&A activity in the last-mile space to stay the same as 2022.



Spencer Tenney, President & CEO at <u>The</u> <u>Tenney Group</u> who provides the company's vison and resources and support for multiple industry specialized M&A teams. He is anticipating growth in the M&A activity for last-mile companies in 2023.



Heidi Hornung-Scherr, President and Attorney at Scudder Law Firm. Her primary responsibilities are structuring, documenting, negotiating, and executing M&A transactions as buy-side and sell-side counsel for publicly traded and privately held companies. She is anticipating that M&A activity for last-mile providers in 2023 will be the same as it was in 2022.

Here's their take on the next 12 months:

CLDA Mag: What will drive M & A activity in this space in 2023?

Berg: We expect to see continued, almost overwhelming, interest in last-mile M&A activity from buyers of all types. Strategic acquirers (which includes new entrants, e.g., the international shipping community) will continue to use M&A as a growth and diversification tool. Investment from financial acquirers continues to accelerate as they find opportunities to aggregate similarly-situated value propositions, especially those in sub-specialty niches, and obtain more favorable returns than equity markets.

Tenney: Large carriers are continuing to add services that will enable them to have pricing power from an end-to-end supply chain solution standpoint. One of the most active and rapidly growing verticals is the final-mile space, where ecommerce and "ease of delivery/installation" continues to be attractive to consumers across all sectors. Carriers will want access to this space as it provides ample opportunities for the future. Lastly, aging baby boomer business owners without internal successors will need to transition the business in 2023. This, along with the need combat rising expenses across the board, will contribute to high M&A activity in the upcoming year.

Hornung-Scherr: We are predicting strong interest from strategic and financial buyers in this space, with credit and freight markets, inventory levels, equipment, fuel, drivers, safety, and insurance as recurring factors impacting M&A activity.

CLDA Mag: What sectors will be ripe for M & A activity in 2023?

Berg: We believe most sectors of transportation and logistics will remain good targets for M&A activity in 2023, with last-mile continuing to be a highly desirable asset class. It's no coincidence that last-mile's "asset light" operating model aligns well with the investment criteria of most financial investors, who are doing an increasing number of deals in relation to their strategic acquirer counterparts. Further, last-mile is perfect for disruption as technology-driven solutions, which look to unlock efficiencies and reduce costs, play an increasingly important role in the global supply chain.

Meanwhile, capital in reserve and asset valuations (such as equipment, real estate, and drivers) remain strong on company balance sheets. However, the Fed has been issuing multiple and sizeable rate increases. It will be interesting to watch how the accessibility and cost of capital impacts M&A activity in 2023 and beyond because of these rate hikes.

Beyond the economics, we also need to consider industry demographics. Transportation and logistics is an aging industry, particularly with the expected retirement of Baby Boomers over the next decade. Business owners who expect the post-pandemic freight market to turn may attempt to "cash in" within the next twelve months.

Hornung-Scherr: We expect heightened interest in:

- Specialty carriers and last-mile
- Carriers outperforming peers
- Carriers with less exposure to spot markets.

Buyers will be more selective given inflation, interest rates, equipment prices, the tight driver market, increasing maintenance and parts expense, and the drop in spot rates. These trends may cause more focus on last-mile.

CLDA Mag: What can sellers do to increase their attractiveness to sellers next year?

Berg: There are a series of initiatives or preparations a seller should consider if they want to increase their attractiveness to buyers and/or maximize enterprise (transaction) value:

- 1. Get the company's documentation in order, particularly financials. Having multiple years of strong, audited financials fosters confidence in a buyer. This exercise is great practice for a seller who should expect to provide a wealth of confidential information as part of the buyer's due diligence process.
- 2. Align current business initiatives and resources with the desired transaction timeline. Beyond financial health, address business risks that potentially could disrupt the deal or negatively impact the valuation of the business, such as accident and benefit liabilities, safety, compliance, litigation, and cyber security issues.
- 3. Build and develop an experienced leadership team which removes the owner from the day-to-day operations. This is extremely important if the owner won't continue to operate in the business post-transaction.

What all this means is that sellers should run their business like it's for sale now, in preparation for a transaction in two to five years.

Tenney: The sellers that can prove they have business improvements in place (such as additional trucks/ drivers, increase in volume/utilization) that go beyond a rate increase (which may or may not have stickiness to it) will experience higher valuations in the marketplace, all

else being equal. Also, systematically transferring dependence on the company's ownership to the leadership team reduces transaction risks which typically increases business value.

Hornung-Scherr: Prepare. Prepare. Prepare. There are so many things in your business that you can't control, so control what you can in an M&A transaction by preparing. Here's a list of the things you can control, and that you should put in order:

- Deal team
- Senior management team
- Estate and tax planning
- Financials
- Contracts
- Insurance.

CLDA Mag: What kinds of deals will be most successful in 2023?

Berg: Deals where both buyers and sellers recognize they remain in a favorable M&A environment will be successful in 2023. In these deals both parties will be working together to find common ground. Yes, there will be more work on the front-end by both parties to evaluate "right-fit," more consideration about whether they can be long-term partners, and more transparent deal terms that are fair and equitable for both parties.

Tenney: Most buyers are excited about the current growth that their acquisition targets are experiencing, but they want to ensure that growth is feasible long term. The most successful deals in 2023 will be the ones where there is an appropriate amount of shared risks at the closing table and where the target acquisition is highly resilient to a variety of unforeseen industry or economic disruptions.

Hornung-Scherr: I think there is the potential for transactions in all sectors to be successful. Specialty, high-performing and last-mile transactions may be more likely. We are still seeing a robust M&A market with strong trailing earnings and favorable transaction multiples.

CLDA Mag: What are your predictions for valuation trends in 2023?

Berg: Valuations will be based on the unique combination of macroeconomic factors (current and perceived future), the buyer's investment thesis/strategy, and ultimately how much the buyer values (i.e., is willing to pay for) strategic growth and return on capital.

Tenney: Great companies will attract top value especially considering that the supply of final-mile companies capable of being considered a platform investment is getting smaller and smaller by the day. Smaller, less sophisticated companies will struggle to hold value unless they are able to differentiate and/or offer a niche expertise.

Hornung-Scherr: There may be some pressure on valuations in the current environment, but many companies are still experiencing record results and receiving record multiples. Heightened scrutiny of add-backs, focus on normalized equipment gains, and increasing use of earn-outs to bridge valuation gaps are predicted.

CLDA Mag: What can last-mile companies to do in 2023 to position themselves with future buyers?

Berg: There are internal and external components to positioning your company for sale. Externally, most companies partner with trusted advisors who can assist them in maximizing enterprise/transactional values. This includes M&A advisory/sell-side representatives, CPAs, attorneys, insurance brokers, among others. These relationships can play a meaningful role in supporting companies through the M&A process. They can help prepare the companies for sale, take the sellers "to market" and ultimately work with the sellers through closing.

Tenney: Make sure you have your financial house in order and that you have a compelling growth story that captures the imaginations of buyers.

Hornung-Scherr: Build the fortress. Diversify your business. Reduce the cyclicality of your business. Address customer concentration if too high. Improve your safety. Strengthen your management team. Put reasonable amounts of insurance in place. Try to avoid lengthening trade cycle too much given impact on maintenance. Review your material contracts for indemnification, insurance, change in control, business terms that align with projections, and consistency with laws.

CLDA Mag: How will values and acquisitions evolve in 2023?

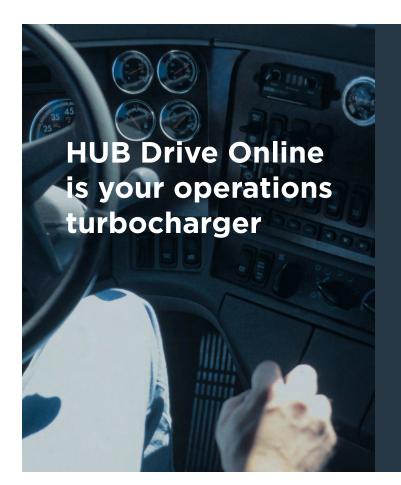
Berg: The M&A market will react to the global economic uncertainty, rising interest rates and inflation, and we will see deal terms, not necessarily transaction volume, adjust accordingly.

Hornung-Scherr: In 2023, M&A activity will continue to be above historical levels in the space, but perhaps not

quite as robust as 2022 in the full T&L market. Trailing earnings may level off with softening of spot markets and transaction multiples may move off historic highs. F-reorgs and 338(h)(10) elections will likely continue in many transactions, especially last-mile and other asset-based or asset-light businesses.

Tenney: The deal volume will likely be record-setting in 2023. However, we may see fewer large, transformational-type transactions given the sensitivity to rising interest rates and the overall economic outlook. CLDA

What are your thoughts about the M&A environment in 2023? Share them by clicking here and we'll send you a report about the trends your fellow CLDA members expect to help you plan for 2023 and beyond. All responses will be anonymous and used for research only.



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BY ANDREA OBSTON
CLDA DIRECTOR OF PUBLIC RELATIONS



et noses and four paws will be what air cargo security looks like in 2023. At least that's what Ron Brawner Founder of Brawner Group K-9 Services predicts.

Brawner was part of the Air Cargo Security panel at the Final Mile Forum where he discussed the increasing use of security dogs to screen air cargo. He's been involved in the use of canines for security purposes for 17 years, including a stint at the TSA where he developed the standards for the agency's Third Party K9 (3PK9) Program for the use of canines in aviation security.

Today, his company develops canines for the use of aviation security, military, police, security companies, even the detection of lithium batteries. He also consults with companies that want to start their own in-house canine security operation specifically for 3PK9 and aviation security compliance auditing.

Brawner expects to see an increasing use of canines in air cargo as a way to screen large quantities of cargo effectively, efficiently while meeting the TSA's increasingly stringent standards.

In late 2018, the TSA rolled out their 3PK9 Program, which allows the air cargo industry to utilize third-party Explosive Detection Canines as an approved screening option. This Federal security mandate requires explosive screening for 100% of cargo shipped on passenger and all-cargo aircraft.

"Because the TSA now requires that 100% of air cargo be screened there aren't a lot of resources out there that can handle that kind of volume," says Brawner. "The regulations require that a physical screening of all cargo. How do you screen the substantial amount of cargo that is coming out of the United States and going to other countries? You need a mass screening tool, something that goes beyond a mechanical search. Because canines are thinking, functional animals with the ability to utilize their brains, that have that ability. Using them is like putting a supercomputer on the case. Because of their ability to differentiate between odors, canines have the capability to screen a massive amount of cargo at a very efficient rate. And it tends to be more effective when the dog and handler are trained correctly. Methods like ETD (explosives trace detectors) and X- rays have a different purpose. They're not meant to handle a mass movement of cargo. They are good at screening individual selected or suspicious items. While ETDs and X-rays are necessary tools but in conjunction

with canines. Because canines have brains, they end up being more efficient in screening large volumes of cargo."

He pointed to examples of government metrics that compared warehouse screening done the traditional way with the use of canines. "Let's say you have a 10,000 square foot building filled with





cargo pallets. To meet the current standards with traditional methods, would take anywhere from two days to three weeks," he says. "Dogs can get that done in about 80 minutes."

#### A Growing Need for Dog and Handler Teams

In 2023, the need for trained handler and dog teams for air cargo security will escalate. The TSA will begin strict enforcement of the screening requirements just as the amount of cargo coming in and out of airports grows. "The federal government estimated that somewhere around 1500 to 3000 teams will be needed for its 3PK9 program," says Brawner. A team is a dog and a handler. "There are training standards that have been set forward by the federal government for those teams. Handlers and dogs will have to be trained to meet the program's standards. Right now, there are only about 800 teams that do," Brawner says.

He also points out that not all dogs are well-suited for this work. "There are different temperaments, different speeds and different drives in dogs that must match the work and the handler," he points out. "In the cargo environment, you need a hard-drive dog. That's because these dogs work many hours a day, nonstop. High-drive means they will continue to sniff for long periods of time. These dogs must have what we call a 'high ball drive' which keeps them going in a working environment like air cargo security. A dog with a high ball drive will do anything for a ball and never quit. When they are working in warehouses or on the apron of a runway where it's very hot. Or they might be working on the ramp side where they're out in direct sunlight on asphalt or concrete. That's when you need a dog that isn't easily distracted; a dog that will do all that for the sake of a ball. Then you need to find the right handler who matches the dog and the work and train the team to meet the standards."

Cargo is expected to continue to bolster the airline industry's recovery from the impact of COVID. Many, including the International Air Transport Association (IATA), expect a rise in the amount of cargo transported in 2022 and beyond. Given those expectations, coupled with the TSA stricter enforcement of security standards, Brawner predicts an increase in the use of security canines for many years to come. "My expectation is that the need for these specialized teams of dogs and handlers will skyrocket in 2023 and beyond," he concludes. **CLDA** 



While ETDs and X-rays are necessary tools but in conjunction with canines. Because canines have brains, they end up being more efficient in screening large volumes of cargo."



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BY ANDREA OBSTON
CLDA DIRECTOR OF PUBLIC RELATIONS

xpect an emphasis on sustainability to gain even more traction among shippers in 2023. Driven by cost savings, consumer pressure and brand reputation, shippers will look to every part of their supply chain, including their last-mile providers, to prove they take these practices seriously. Those that can demonstrate sustainability practices in business will win. Those that do not, should expect shippers to look for other ways to build their supply chains without them.

Those were among the 2023 predictions from Shawn Stockman, VP of Sustainability Solutions at <u>Onepak</u>. Onepak provides sustainability solutions through tech-enabled tools that help those in the supply chain create accountable chains of custody and efficiency.

Stockman, an active committee member of the CLDA, shared his predictions on the escalating role of "green" initiatives in the decision-making process among shippers. He expects the impact of these issues to grow significantly in 2023.

CLDA Mag: What are the issues surrounding sustainability that apply to members of the logistics sector?

STOCKMAN: According to the EPA, the transportation sector in the US accounts for 27% of greenhouse gas emissions. So, a lot of attention has focused on emissions from vehicles used to deliver goods in the final-mile. This will continue to be the case for at least a decade, as the transition away from fossil fuel-based operations will be a long and arduous journey.

But there's a lot more those in the last-mile sector can do to manage the carbon footprint of their operations. This might include the use of alternative energy sources for warehouses, installing lower carbon HVAC systems or LED lighting, and even reducing business travel. It all adds up. Even attempting to get a handle on the company's environmental impact can be a useful distinction for a last-mile provider.

CLDA Mag: Why will these issues gain importance in 2023?

STOCKMAN: As large brands and ecommerce companies come under increased scrutiny from investors and consumers, the pressure to show progress in reducing the carbon footprint of their supply chains will only increase. A recent Forbes article points out that "highly empowered consumers" are increasingly making buying decisions with sustainability in mind. In fact, 68% of this group plan to step up their efforts to identify brands that reduce environmental impact. If these brands are including sustainability measures in how they choose their final-mile partners, courier and delivery companies will soon need to document or defend their carbon management practices to win or retain ecommerce clients.

CLDA Mag: Talk about the importance of these issues to shippers.

STOCKMAN: A recent headline on the website Freightways.com gives us a peak at the importance of this issue: "Pepsi recognizes Schneider's sustainability efforts." Schneider is a truckload company with stated goals to reduce permile CO2 emissions by 60% and to "reach carbon neutrality for company-owned facilities by 2035." PepsiCo has a goal to get to net-zero emissions by 2040. So, of course, Pepsi is going to choose partners who will help them get there.

It's no different for any major company using final-mile providers. Public companies need to satisfy their shareholders that they are making changes towards a more sustainable future or risk being accused of "greenwashing" (i.e., marketing themselves as environmentally conscious but not making real sustainability efforts).

Ecommerce companies need to convince consumers that they are taking measurable steps to address their emissions. The 2022 Retail and Sustainability Survey from global business applications firm CGS found that nearly half of respondents (42%) indicated they prefer sustainability over expedited shipping. Respondents said they would choose to wait longer to receive goods from online suppliers if they were delivered more sustainably.

CLDA Mag: What changes will be most important for lastmile providers to make when it comes to these issues?

STOCKMAN: The low-hanging fruit for change are improved routing efficiencies and the use of lower carbon vehicles like hybrids and electric vehicles. Routing and dispatch software can also play a major role in tightening efficiencies.

But there are plenty of other sustainability issues to work on. Consider installing LED lighting in your facilities and

pairing that with motion sensors and timers so lights only shine when needed. Ask your utility company about clean energy sources for your electricity. Almost every major utility company has teamed up with a renewable energy provider.

CLDA Mag: Why will these issues have increased importance in 2023?

STOCKMAN: Because the generations that are about to be the decision makers - Millennials and Gen Zers - value sustainability. Most Millennials (59%) and Gen Zers (60%) support a national/global law mandating sustainable practices (contrast that with only 37% of Baby Boomers who support such a law). As the buying power of these younger consumers increases (and the Baby Boomer buyer power wanes) you can expect sustainability to play a larger role in purchasing decisions. In addition, as companies struggle to find employees and contractors, they can expect these younger workers to check companies' sustainability track records.

CLDA Mag: What advice do you have for couriers who are unconvinced about importance of sustainability issues in their day-to-day business practices today?

STOCKMAN: If you don't believe that sustainability matters, ask your customers. Ask your employees. Ask your kids, neighbors, or others in the community. Do you really want anyone in these groups to see your company as part of the problem or part of the solution?

I think you'll find that sustainability is taking many forms in the businesses you frequent. Restaurants are curbing food waste by composting. Many are switching away from plastic single-use takeout containers to either reusables or compostables. Try finding a used electric car or even a hybrid. The demand is strong. Community gardens are springing up. Contractors are switching to more sustainable

sources. The demand for heat pumps is through the roof as organizations like Rewiring America gain traction in spreading the word about electrifying everything.

CLDA Mag: Let's suppose you've raised the importance of these issues with someone reading this article and they want to take the first steps. Where should they start?

STOCKMAN: Sustainability is largely about energy use and waste. First, take stock of your situation in terms of facilities, vehicles, and processes. Look for opportunities to reduce energy use or switch to lower carbon alternatives. Consider your production and treatment of waste. For example, if you deliver furniture that comes in large cardboard packaging, can you start separating plastics and finding recycling options for the rest of the packaging? Sometimes a little extra effort can redirect a big flow of waste. For your facilities, see if there are local or state agencies that can help you do an energy audit. Consider hiring a firm that specializes in this. Companies like Apollo Energies will identify and certify tax credits and incentives that are available to companies to help them make carbon-reducing improvements or receive tax breaks for installing them.

Finally, remember that you can't manage what you can't measure. Think about signing up with a carbon footprint management platform like Greenfeet that has calculators for most types of emissions, including remote workers and business travel, to help you do just that. There are lots of other tools like that to get you started.

CLDA Mag: Leave us with some parting thoughts about these issues.

STOCKMAN: Sustainability is part of a broader shift in the way businesses are being evaluated by customers, investors, employees, and regulators. ESG is what they value. Sustainability is the E in ESG. There's also the S (social) and the G (governance).

As more attention is shifted toward the impact of everything we do on our environment and on our society, it will be increasingly important to understand each company's ESG score. That includes the social and governance factors. Do you have policies in place around how your company is run (governance)? What is your impact on your community (social)? Do you have a code of ethics? A policy about diversity, equity, and inclusion? Do you make it clear where you stand on workplace harassment?

Every company, no matter their size, needs to be thinking about the impact of their actions. They need to look for ways to maximize their positive effect on their communities and minimize their negative impact on the environment. That's important to all of us. Today and tomorrow. CLDA

"If you don't believe that sustainability matters, ask your customers. Ask your employees. Ask your kids, neighbors, or others in the community. Do you really want anyone in these groups to see your company as part of the problem or part of the solution?"



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# **DOES THE GLOBAL MARKET PROVIDE OPPORTUNITIES FOR YOU?**

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BY ANDREA OBSTON CLDA DIRECTOR OF PUBLIC RELATIONS



The former CLDA president has spent the last few months responding to inquiries from around the globe from shippers and suppliers interested in setting up or enhancing supply chains in the US. Chuck says that those queries foreshadow new opportunities for CLDA member companies. "Most of our members are probably not going to be overly excited about playing at the international level or think that they're in a position to take advantage of these opportunities," he says. "But understanding what's driving any trend, and at least considering how (or if) it is something that fits into their business plan is important. From the international companies that I'm in conversation with there are definite opportunities for CLDA member companies. How our members position themselves in this arena will depend upon how they can take advantage of what's happening with any trend, including the global stage. It won't be for every company. But for that are interested, it could be huge."

Right now, there's a convergence of factors that make international work attractive or potentially necessary for some CLDA members. The just-in-time inventory model is problematic and business plans reliant on that model must adapt or they will see a drop off in business as global supply chain disruptions cause companies to rethink what's required to meet customer expectations. "Just-in-time inventory doesn't work anymore," says Moyer. "If a manufacturer has just enough inventory on site to get them through the next few weeks, and they're getting product from outside

the country, they're probably going to face some inventory shortages due to the challenges with today's supply chain," says Moyer. Those supply chain disruptions have also caused many large shippers to look for ways to enhance their network of delivery providers.

Companies throughout the world are looking for new ways to meet rising consumer demands, gain market share, and enhance their competitive advantage in all verticals including ecommerce, PPE equipment, electronics, and healthcare. The U.S. is an attractive market that beckons many overseas providers of goods and services. "The United States is the largest consumer market on earth with a GDP of \$20 trillion and a population of 325 million. The U.S. household spending is the highest in the world, totally almost one-third of global household consumption. That makes this country very attractive for any company that wants to increase sales and diversify. And those companies are going to be looking for ways to build their supply chains and create a competitive advantage in this country, and our members can help," Moyer says.

#### M & A Leads the Way

To emphasize the increasing relevancy of international business, Moyer points to an escalating trend acquisitions and investments in international companies by U.S. entities. "Cross-border mergers and acquisitions grew by 192% from 2020 to 2021," he points out. "If the financial markets are recognizing that this is a good move, it should tell our members that this trend is going to offer opportunities, and we've all seen the impact of supply chain disruptions and global factors"

#### Staying True to Core Competencies

Moyer concedes that handling cross-border delivery is not for everyone. But our members can get involved in the first, middle and final-mile movements, and he'd like to see CLDA members considering how this may fit into their business plan. "Most in our association haven't been involved in the international supply chain so jumping into it may not be comfortable at first," he says. "What I'm suggesting is to stay true to your core competencies, while keeping an open mind relating to the international marketplace and all trends. That way, when some of these opportunities match up with your competencies, you will be better positioned to evaluate and take advantage of the right opportunities."

It's all about cultivating a reputation in your market and staying relevant. "Leaning into your core competencies and becoming recognized in your geographic area opens the door for opportunities that come your way. If you are recognized as the quality provider in your area, you're going to get contacted about new opportunities. Even though we're talking global markets, it's a pretty small world. Everyone in the logistics business is somehow connected. So, if you're the best carrier in whatever state or region you're in, companies needing to enhance their supply chain are going to know who you are," he says.

#### Be The Best Choice

How does any CLDA member build a reputation strong enough to attract the international business? Moyer offers this advice:

- Be the best choice, by being the best option.
- Understand the trends and align your strategic plans with them. Don't be the next Blockbuster. Adjust.

- Build a quality-oriented culture.
- Position your company to scale and take advantage of growth opportunities.
- Invest in the right team and technology that allows you to be the most efficient, competitive, and innova-
- Understand your customer base and how disruptions impacted them. Be a problem solver.
- Review your core competencies. Maximize your strengths and focus on competitive advantages.
- Market your company's strengths, successes and let the market know you're the obvious choice.

#### An Opportunity for the Taking

The expected growth in the supply chain of tomorrow will present openings for the right companies; ones Moyer says that should be seizing those opportunities right now. "These prospects will enhance their sales pipeline and will be exciting for companies that are strategically positioned for growth. Ones that are sustainable, scalable, and the market leaders in their geographic footprints," he says. "Those are the forward-thinking companies that invest in technology and have enough scalable resources to be able to flex to the right opportunities. "

He urges CLDA members to be open-minded and not dismiss the idea of emerging trends. "When it comes to global markets they are here to stay," he concludes. "I urge members to consider how they may capture market share. Those who get in now have the opportunity for real growth as more and more shippers look for effective ways to build their supply chains in and out of the US. It's a great way for them to make the most of the expanding global economy." CLDA

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Interested in contributing to our advocacy efforts? Contact Andrew Brackbill andrew@clda.org

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



**2022 Legal Trends** That Will **Continue in to 2023** 

BY CRYSTAL STEVENS MCELRATH, ESQ. SWIFT, CURRIE, MCGHEE & HIERS, LLP

he Great Resignation" just turned one vear old. The term was coined by management professor Anthony Klotz in early 2021 to reference the record number of people—47 million according to the U.S. Bureau of Labor Statistics—who voluntarily left their jobs, largely due to the COVID-19 Pandemic. Some people have called it "The Great Reshuffle" or "The Big Quit", and now most recently, "The Great Regret." Despite the speculation that some of those workers regret the decision to resign or that inflation might bring workers back to traditional workplaces, a Pricewaterhouse Coopers (PwC) survey suggests The Great Resignation is not over yet. The recent survey forecasts that 20% of the global workforce will resign in 2022. With this massive global reshuffling, Noncompete and Non-Solicitation Agreements have come front and center. And, like the Great Resignation, these will be center stage for the next year or more.

Noncompete and Non-Solicitation Agreements have become very popular over the last decade as a means of protecting businesses and employers from unfair competition. Governed by state law, these agreements limit a worker's ability to obtain information or contacts from one employer then unfairly use the information or contacts to benefit a competitor. To be clear, most interpretation of the governing laws says business owners may not use Noncompete Agreements to eliminate all competition. A worker has the right to engage in business that competes with a former employer. More fundamentally, a worker has the right to leave a job but still continue to work, without having to change professions or relocate.

Reduced to the lowest common denominator, then, Non-Compete Agreements are written contracts between an business and worker who will have access to information that business would not generally make accessible to the public. In exchange for some benefit - the job, wages, training, access to the information, or even bonus requirements in some states - the worker agrees not utilize the company's sensitive information, trade secrets and client information in unfair competition. Since it can be difficult to define every potential example of "unfair competition," Noncompete Agreements usually specify a time period during which employers will not work for competitor in a specific geographic region.

Non-solicitation Agreements are not as closely scrutinized by the Courts. Employers are given more leeway in prohibiting a worker from poaching other workers or customers. This is because the Courts' concern about workers' ability to earn a living simply does not apply to Non-Solicitation Agreements.

An important distinction is that Noncompete Agreements are generally used in the context of an employer-employee relationship. Non-solicitation agreements, on the other hand, make sense for use both with employees and independent contractors. True independent contractors are generally engaged in a trade that is not central to a company's business, so they would not and should not be considered competitors. For example, a plumber and painter provide very different services from a last-mile carrier, and are free to work for carriers who are in direct competition with each other. Using the same plumber does not unduly or unfairly disadvantage either company and there is no reason for the plumber to sign a Noncompete Agreement. Perhaps, in some cases, the painter or plumber must sign a Confidentiality Agreement or Nondisclosure Agreement to protect sensitive information they might hear or see while rendering services. In other cases, it may be appropriate to have the contractor sign a Non-Solicitation Agreement restricting their ability to provide their services directly to a company's customers without the company as the middle man. However, if a contractor can provide to a company's customers the same primary service the company provides, then the contractor is likely misclassified. Put another way, a worker who must sign a Noncompete Agreement is more of an employee than an independent contractor.

When a Noncompete Agreement is warranted and appropriate, a lawyer familiar with state law can help ensure the legal enforceability of the Agreement. In Georgia, for example, an employee can be required to sign a Noncompete in exchange for the employment opportunity alone. However, in Pennsylvania, at-will employment is not consideration for a Noncompete; some other bonus or financial incentive must be provided. Texas allows training or access to specific trade secrets in exchange for the Noncompete Agreement. In Oregon, an employee must meet a minimum salary threshold before being required to sign a Noncompete.

A lawyer can also assist in determining if the Noncompete is "reasonable" (the Courts' favorite word) in terms of term and geographic limitations. Most states allow term limits of one or two years. The geographical limitation must be specific and narrow enough to allow the worker to continue working. For national or global employers, it is often more prudent to name the company's competitors rather than attempting to determine reasonable geographic limitations. Failure to check all these boxes, pursuant to widely varying state laws, will make a Noncompete Agreement completely worthless.

So, what are the keys to drafting enforceable noncompete and non-solicitation agreement?

- 1. Correctly determine which document(s) are appropriate for the worker.
  - a. Could the worker use a company's sensitive information to provide services that unfairly compete with the company?
  - b. Could the company be adequately protected by a Confidentiality Agreement and/or Non-solicitation Agreement, without limiting the worker's employment opportunities.
- 2. Confirm the state requirements for the appropriate document.
  - a. Is the worker provided adequate consideration?
  - b. Is it clear what information the worker might access?
  - c. Are there time limits on the restrictions?
  - d. Is there a reasonable geographic limitation which still allows the worker to be employed without relocating?

Considering the above will safeguard business from being left with only an unenforceable agreement and Big Regret.



Crystal Stevens McElrath is a partner in the law firm Swift, Currie, McGhee & Hiers, LLP. She practices workers' compensation defense as well as employment law defense and counseling, specializing in disability and leave laws. She regularly advises, trains and defends clients related to wage and hour, discrimination and human resource laws. For more information, go to swiftcurrie.com.

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If you're not planning for peak season right now, you're already behind. It may be summer outside, but the chill of winter and the heat of an on-fire holiday season is already upon us.

BY ANDREA OBSTON
CLDA DIRECTOR OF PUBLIC RELATIONS

hese are among the observations from Millie Tarallo, Chief Revenue Officer at Dropoff as she looks towards what could become, given recent industry trends, the highest volume holiday season to date. "We have ecommerce and retailers inquiring with Dropoff about adding same-day courier services to their shipping suite as they look for ways to diversify and meet increasing demands," she says. Bringing over twelve years of field, transportation, and logistics experience to new her role at Dropoff, Tarallo has managed these holiday peaks before. "It's very telling when companies shift away from traditional carriers to seek new opportunities for capacity."

Dropoff is a tech-enabled, same-day, last-mile delivery platform based in Austin, TX that has been providing businesses nationwide with 24/7 logistics support since 2014. The company, just recently named one of Inc. Magazine's fastest growing private companies for its fourth consecutive year, is an active member of the Customized Logistics & Delivery Association (CLDA).

It's more than the anticipation of the growth in ecommerce and the current labor shortage that's causing these shippers to expect carriers to get an early start on the season, "These shippers are looking at their logistics and wondering if their current network has the capacity and how they can both increase their market share while identifying alternative shipping channels with that capacity," says Tarallo. "Many expect to bring on new providers. That takes time. There's a lot of technology integration needed to get out the kinks in a new relationship with a carrier. If you haven't done that by September, you're going to be far behind and your service is going to suffer. We advise all new customers we're speaking with to com-

plete integrations early; test data and delivery service levels way before peak season."

Shippers looking for capacity, Tarallo suggests, "Should think about differentiating their offerings with same-day service. Speed of shipping is a critical decision point for buyers and you may gain incremental sales while finding new capacity for shipping."

#### **How to Manage Capacity Challenges**

Capacity challenges are part of the business, but Tarallo says this doesn't mean carriers have to say no to a customer if their capacity demands are too high for them. "If you know in your heart of hearts that you can't handle all the deliveries they expect to give you, you don't have to walk away from the business completely," Tarallo says.

#### 1. Be Honest About What You Can Manage

"There are several alternatives. One is to candidly share, 'This is not a volume I can handle on my own, but what I can do is work with my network of other carriers to meet your needs.' Another alternative is to carve out the part of the business you can handle and meet your service levels and be honest with the shipper upfront so they can diversify their network to cover what you can't handle," she says.

#### 2. Partner Up

She points out that COVID showed shippers that it's critical to partner with several carriers. "Since COVID, it's been about carrier diversity with shippers. Even for those that previously used major carriers. They now recognize the need to diversify in particular markets if they're going meet customer demands," Tarallo says.



There's a lot of technology integration needed to get out the kinks in a new relationship with a carrier. If you haven't done that by September, you're going to be far behind and your service is going to suffer.

#### 3. Be Cautious; Be Smart

And just how high does she expect those demands to be for Holidays 2022? "It's going to be the most challenging season ever," she says, "because consumers expect to get their orders faster. Faster shipping is often a key decision-maker when it comes to what they will purchase. We know the expectations of consumers are growing and that they are demanding we meet higher expectations. Before COVID we expected to scale to this level of demand in eight years; it's happened in three."

Tarallo shares that regional carriers should be cautious about accepting all of this business: "You have to be able to take what you can handle and make a profit on it. There's a reason that large carriers are being more selective with their customers. Some of those jobs simply aren't profitable. I'd suggest regional carriers only take the ones that fit their current capabilities; ones where they have a unique capacity."

Tarallo also urges carriers to line up their people resources earlier than they have in the past. "The number one challenge carriers are going to face when coping with the upcoming holiday season is the labor shortage," she says. While this may be starting to trend in a better direction, here are some ways to ensure you're ready:

#### 1. Prepare Your Current Workforce

Tarallo suggests preparing your current workforce now for what lies ahead during peak: "We've already discussed communication with your customer, but communication with your team is as critical at this time of year. Let them know what you're doing today to get ready for peak. Prepare them for the fact that they're going to be working long, hard hours. Think about how you can support them."

#### **Support Your Drivers**

There are a lot of sacrifices that drivers make. Consider what you can do for them that's a little bit extra. Can you have breakfast or lunch for them? Those little things go a long way. Tarallo encourages everyone to, "Do what you can to recognize the efforts that these people are making to help you deliver top-notch service to your customers."

#### 3. **Take Action Against Your Postmortem**

She also advises that carriers talk to the people who got them through the peak season once things slow down. "By definition, there will be misses during that hectic time," she says. "It's your people out front who have the information that can avoid those misses next time. Capture it right after the season with a holiday postmortem. While things are fresh, ask everyone on your team, 'What did we miss in the last quarter of this year, and how can we prevent it next year?"

Tarallo summarizes her advice for making it through Holiday Season 2022 this way: "It's all about preparation. Prepare your customers. Prepare your resources, and then have a plan to make sure all that communication is shored up in both directions." CLDA

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### FINAL MILE FORUM & EXPO22

# CELEBRATING RECONNECTING and Sowing the Seeds of SUCCESS!

BY ANDREA OBSTON
CLDA DIRECTOR OF PUBLIC RELATIONS

The 2022 Final Mile Forum was a celebration of the industry - a chance to reconnect and a roadmap for those in pursuit of success. Over 300 logistics pros gathered in Miami from June 29 to July 1 to build their businesses, learn about the trends in the industry, find out about the latest in products and have some fun with new and old friends.



he conference theme was "Staying Relevant in the Final Mile." And, by all accounts it delivered. It featured 10 hours of workshops and panels and more than 15 hours of pure networking. Participants went home with new contacts, new knowledge and new connections with shippers who specifically came to the conference to connect with new carriers.

Pre-event activities included a golf tournament and a South Beach Culinary and Art Deco Tour.

The conference officially kicked off with something new: A Power Hour presented by CLDA's Diversity & Inclusion Committee. It featured an intimate fireside chat with Ronnie Burns, Founder of QCS Logistics; George Pillow, Founder of Pillow Logistics and Kelly Picard, CEO of Hackbarth Delivery. All three companies have been involved with the association since its early days. They have been active participants in the association's evolution, shaping its progress over time. Ronnie was the first Black member of the board and is a member of the CLDA Hall of Fame. His son, Jason, is the first Black president of the CLDA. George was a member of the board and his son, Eddie, currently serves on the board. Kelly, also a second-generation board member, co-founded the Diversity & Inclusivity Committee along with Jason. They had a frank discussion about the industry, the changes around diversity and the impact this has had on them and their companies.

Then it was on to the New Attendee Reception and Ambassador Meet & Greet. There first-timers were paired up with their own ambassadors. These experienced members helped those attending the conference for the first time to make the connections they needed to succeed during and after the event. Participants also got some tips on making the most of the conference and other networking events.

The highlight of the New Attendee Reception was an emotional speech by Ohio-based courier Holly Sturgill. She spoke about the dramatic impact her business received when she attended her first Final Mile Forum in 2021. Although she'd been in business for almost 30 years at that time, she hadn't been to a CLDA conference until the 2021 Final Forum. She described that conference and its aftereffects this way: "That was a huge eye-opener to us. ... We made huge alliances and friendships... We found out that everybody here has the same struggles. We were defeated before we came to the CLDA meeting last year. Twenty-twenty was one of the worst years for our business. But after the meeting we reignited our purpose and our future. And this year, we're on pace for the very best year ever. And that's all entirely due to the connections we made here."

The Shipper Meet & Greet followed the New Attendee Reception. It gave shippers an early opportunity to make connections with the carriers they need to expand their networks. Later in the conference, they were able to link up with carriers at Shipper Roundtables. Many came to the conference looking for ways to round out their capacity in specific geographic areas or in target verticals. Because of the wide representation of those in the industry at the Final Mile Forum, many went home with personal connections that will help them meet the needs of their customers.

The Grand Opening Reception in the Exhibition Hall brought all conference participants together. They reconnected with others in the industry, welcomed first-timers, met up with shippers and got the chance to check out the industry's latest products and services from over 40 exhibitors.

The highlight of the evening was the 2022 Hall of Fame award to industry veteran John Benko. Conference chair Tom Jowers did the honors for his long-time mentor, friend and recent business partner. "The Hall of Fame recipients are not just leaders who have a positive impact on the industry or association but those who have dedicated their lives to our industry. They give back to our industry every day," Jowers said in recognizing Benko, a man he called "my friend and my guidance counselor."

Admitting that talking about himself was not his strong suit, Benko acknowledged his love of the association and the people in it. "Some of my strongest friendships have been born out of this association," he said. "Pretty much all the good things in running my businesses have come from this association. I've connected with good, good people who have helped me personally and professionally. Many of them are in this room." Then he turned to the members of his family who were beaming from the back of the room - his wife Sandra, his eldest son Kyle, his daughter Cooey and his father-in-law Mario saying, "I would be remiss if I didn't mention the folks who are standing there. They are really the ones who sacrificed everything for what I do... I'm just very, very blessed to have good people surrounding me. I say to all of you thank you for your support, your trust, and your friendship."

[Read more about this year's Hall of Fame honoree and his journey on page 72].

## Day 1

The Final Mile Forum officially kicked off with a rousing speech by CLDA President Jason Burns. It was his first conference as the association's president, having been elected by the board in February. He offered an enthusiastic thank you to the architect of the Final Mile Forum, its chair Tom Jowers, followed by acknowledgement of the critical role the conference sponsors play in making it happen. The event's premier sponsor, Openforce, received a round of applause. He also thanked the rest of the event's sponsors, Adgile Media Group, ADL Final Mile, American Expediting, Aria Logistics, Blaze Express Courier Service, Capstone Logistics, Custom Courier Solutions, Drivv powered by Courierboard, Dropoff, Global Messenger and Logistics, Jobcase, Key Software Systems, Logistics Technology HQ, Now Courier, Pearl Transportation & Logistics, Pillow Logistics, Priority Dispatch, Risk Strategies, Smith Eilers PLLC, Swift/Currie and TrueNorth Insurance and Financial Strategies.

He also acknowledged the year-round support of members of the association's Industry Leadership Advisory Group (ILAG). This advisory group brings together the voices of those in the industry including carriers, shippers and affiliate partners. The group includes Key Software Systems, Logistics Technology HQ, Openforce, Risk Strategies, SCI and Scopelitis, Garvine, Light, Hanson & Feary.

He gave his thanks to the Board for going above and beyond in fulfilling their volunteer responsibilities. They include members of the Executive Committee:

- Joel Pinsky, President-Elect, Global Messenger and Logistics
- Steve Howard, Immediate Past President, Esquire Express
- Lorena Camargo, Secretary, Pearl Transportation & Logistics
- Tim Cocchia, Treasurer, Xcel Delivery Services.

#### Other board members include:

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- Brian Surber, Priority Dispatch
- Charles Wolfe, Blaze Express Courier Service.

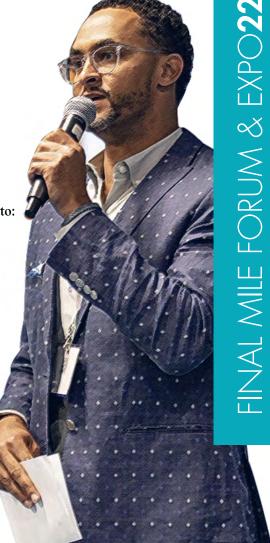
Setting the stage for the rest of the conference, Burns talked about the challenging environment for those in the room. Those trials include responding to:

- Driver shortages
- Industry consolidation
- Pricing pressures
- Higher barriers to entry
- Rising inflation
- Cyber security risks
- DOL on the offense
- The lingering effects of COVID-19.

"Do you want to take a 'vitamin' or a 'pill' to deal with these challenges?" he asked the crowd. "CLDA is the 'vitamin' because it adds long-term value to support a healthy company. It provides the nutrients of success. The 'pill' may provide short-term relief but doesn't help in the long-term."

#### Burns identified CLDA's 'Nutrients of Success:'

- Proactively lobbying to protect the 1099 model
- Hosting three industry events, the Final Mile Forum,
   Executive Leadership Summit and Virtual Shipper's Exchange
- Providing benefits such as discounts on products and services, healthcare and training
- Producing a quarterly CLDA magazine
- Promoting industry awareness
- Creating an online Resource Center
- Raising awareness and providing a value for diversity, equity and inclusion in our industry



Paying it forward with the CLDA Cares programs. These efforts include a disaster relief
fund which gives a helping hand to members hit by hard times, and scholarships for children
of members who want to further their education and professional development after high
school.

#### Burns congratulated this year's scholarship winners:

- Brody Bernecker, the son of Jim and Mindy Bernecker. Jim is the president of <u>Relay Express</u>
- Taryn Bilchik, the daughter of Bryan and Sandy Bilchik. Bryan is the Director of IT at Need
   It Now
- Kylie Jowers, the daughter of Thomas and Kimberly Dawn Jowers. Thomas is the Chief Operating Officer at <u>ADL Delivery</u>.

The opportunity to partner with another of the industry's premier associations, the ECA, is something that Burns touted in his remarks. He called Jim Bernecker, the ECA president, to the stage. He echoed Burns' sentiments. "There is a real opportunity for reciprocity between our two organizations to help strengthen the industry together," said Bernecker. He invited conference participants to join them at their annual Marketplace event on April 24-26, 2023.

CLDA Treasurer Tim Cocchia followed Bernecker's remarks, reporting that the CLDA was "strong financially due to the support of its members and sponsors." He cited a revenue increase over 2020-2021 fiscal year. "This is a testament to what we bring to our members and what our members bring to all of us," he said.

#### The business meeting concluded with a preview of two upcoming CLDA events:

- The Executive Leadership Summit, a virtual event on Oct. 6, 2022
- The CLDA Final Mile Forum in New Orleans on Feb. 9-11, 2023.

#### **Eruption not Disruption**

The first keynote of the conference was Brian Carter. This former comedian turned motivational speaker used humor to talk about "keeping a happy workforce and getting them to stick around." The key, he said, goes beyond money. "Great teams have shared values. It's what keeps them on the job. The more you commit to what people value, the more they will commit to your team," he said.



Great teams have shared values.

It's what keeps them on the job.

The more you commit to what people value, the more they will commit to your team"

He pointed out that each member of a team brings their own strengths and that everyone on team has a unique role to play based on those strengths.

#### Among the session's other key takeaways were:

- Companies that align their values with their customers' have a competitive advantage
- When you and your employees share values, they are more likely to stay
- Engage, listen and adapt to people
- If you want to retain more people go for the heart
- Great leaders engage people. Engaged people stick around
- Leaders that people like bring people together
- Trust is the foundation of all relationships with customers and with employees
- Loyalty with employees starts with trust in their leaders and then moves to likeability
- Developing everyone as leaders helps companies do better
- We don't survive and thrive with complacency.

#### Final Mile Leaders Share Their Secrets

The conference's first workshop session was titled "Final Mile 360: A C-Suite Open Mic." It featured a candid discussion with five executives from the tech sector, the shipping sector, and the delivery sector:

- Timothy L. Kravitz, CEO/CTO, <u>Logistics Technology HQ</u>
- Lufthansia Lomax, Vice President, Inpax Shipping Solutions
- Steven Miller, CFO, Pace Runners, Inc.
- Leigh Ann Schneider, Vice President of Sales Success, Openforce
- Millie Tarallo, Chief Revenue Officer, Dropoff, Inc.

#### This free-wheeling discussion covered a variety of topics including:

- Whether final-mile carriers were undervaluing their services and not being adequately compensated for their contributions to the supply chain
- The challenges of getting and keeping good drivers
- Whether the labor market will loosen up in the next 18 to 24 months
- How to establish and reinforce standards of professionalism for remote workers
- The impact of inflation
- The future of remote and hybrid work
- How to manage remote workers
- Adapting to the expectations of a younger workforce
- New strategies for protecting businesses from cyber and ransomware attacks
- The use of employee share ownership plans to retain top talent
- Ways to initiate difficult conversations with customers about needed rate increases
- Competing against carriers that low-ball prices just to get the business
- Coping with rising fuel charges
- Mitigating risk and coping with rising insurance rates
- Driving efficiencies and lowering costs.

#### Air Cargo - Safety & Security

Major events over the last few decades have led to extreme security measures for the air cargo supply chain. This session allowed members to hear from and talk with key players in private transportation and security. The panel included key players involved air cargo security as well as representatives of two major airlines.

#### They included:

- John Beckius, Executive Director, Air Cargo Division, <u>Transportation Security Administration</u> (TSA)
- Ron Brawner, Developer of the TSA's 3K9 security protocols and owner of K-9 Brawner Group
- Jennifer L. Haigh, Specialty Products, <u>United Cargo</u>
- Michelle Williams, Director of Cargo Strategy and Implementation, Southwest Airlines.

Beckius talked about the TSA's increasing efforts to involve those involved with air cargo logistics with their rule-making process and the changes he's anticipating as a result. They are also working on ways to simplify the process to make it more efficient. He alerted participants that the TSA is working on a new roadmap that covers policy enhancements, technology, partnerships and industry information sharing. He concluded his remarks by advising those involved with air cargo to "...utilize good cyber hygiene."

Brawner helped develop the TSA's 3K9 security and now has a private canine security consulting firm. He answered questions about how the TSA created the 3K9 program and how it works. He compared the use of canines to screen cargo with methods like ETD (explosives trace detectors) and X- rays, which, he said, have a different purpose. "They're not meant to handle a mass movement of cargo. They are good at screening individual selected or suspicious items," he said.



Michelle Williams and Jennifer L. Haigh discussed how the airlines adapted to the dramatic shifts in the airline sector and how lessons learned throughout the pandemic have changed the air cargo sector for the better.

Williams, from Southwest Cargo, talked about the changes in air cargo. "What we were shipping in 2019 doesn't look like 2020. It doesn't look like 2021 and doesn't look like today ...it's been a challenge, but in a good way. On the opposite side of challenge is opportunity. We looked at the challenges of the pandemic as opportunities," she said. She talked about how their products changed. "There were new needs on the market especially as we saw the flight schedules go down drastically," she said. "One of the immediate needs was moving US mail. We did not carry US mail [before the pandemic] but there was a really unique opportunity for us to help here... Another really important product (they began to transport) was radiopharmaceuticals. These are ...very important time-sensitive products that, if they don't get to their destinations within a certain amount of time, aren't viable. We were able to compliantly stand up our program because our team made it a priority." She talked about the importance of focus that was shared by the whole team to make that happen.

Southwest Cargo also used the challenges of the last few years to upgrade their ability to "digitally connect with our customers." They updated their abilities to offer online booking and more advanced tracking. "In your business you need to know when product arrives. You pay for air cargo because you need it to be there quickly and when that flight lands you need to know that," she said.

She concluded her remarks this way: "We have to be prepared to constantly evolve...What we're doing hasn't changed. We're carrying really important stuff, but how we do that has changed and will continue to change."

Haigh, from United Cargo echoed Williams' sentiment about the long-term impact that adapting to the pandemic had on their airline. "Pre-COVID we were looking at anywhere from 4200 to 5000 flights a day on United Cargo. We were super excited. We had our bellies full. We were ready to fly. All the Light Bodies even a lot of our domestic rate was flying and then the world shut down on March 13, 2020. On the fifteenth of March we had four flights. Our head of cargo said, 'We're going to take this as an opportunity, and we're going to see what we can do.' And within two weeks, we were able to work with the FAA and TSA to actually get what we call freight-only flights back up and running."

Southwest also added products in response to the need. "We were able to work with our regulator friends and be the very first airline to carry vaccines into the US," she said. That led to their development of two products to support life sciences transport, QuickPak and LifeGuard.

She concluded her remarks by reaching out to the audience. "We want to start working with you guys. Tell us how we can give you guys the services you need."

The moderator, CLDA Board Member Ralph Perrothers, concluded the session by urging attendees to update their profiles on the CLDA website to make sure they accurately reflect their airport coverages.

For more about the role of canines in air cargo security, see the story on page 32.

Following this session, lunch was served. Some participants - those who were contributors to the Advocacy Fund – attended the Advocacy Luncheon where they were brought up to speed on the legislative issues impacting the industry.

#### Medical Logistics - What's Your IQ?

The Medical Logistics panel was one of two after-lunch sessions.

Panelists discussion the critical role carriers play in maintaining an efficient healthcare supply chain. In 2020, the market was valued at \$144 billion, and experts expect it to double in only a few years, according to the panel's moderator, CLDA Board Member, Lorena Camargo, CEO and Founder of <a href="Pearl-Transportation-Logistics">Pearl-Transportation & Logistics</a>.

#### Panelists in the Medical Logistics session included:

- Gregory MacGraw, Vice President of Transportation, Cano Health
- Bert Mesa, Vice President, Global Field Operations, MNX Global
- Mark Sanner, Vice President of Operations, American Expediting.

Among the items their companies move are human tissue, lab samples, vaccines, medications, medical supplies and even medical equipment. Some transport organs for transplant and research, blood plasma, radiopharmaceuticals, immunotherapies, stem cell therapies, surgical kits, pharmaceuticals, patients headed to and from treatment and even Meals on Wheels for those receiving medical treatment.

Panelists emphasized that this vertical is unique due to its impact on people's lives. They shared what they what they look for when bringing on new couriers. They emphasized that these carriers must be comfortable with the need for constant communications and have advanced technology to facilitate that communication. They talked about the ways they work in partnership with couriers. "Our partners' success is our success," said Mesa. "We do whatever we can to make sure that everyone's succeeding including, our clients and our clients' patients, who we ultimately serve."

"Any shipment is important, but life science has a patient at the other end," said MacGraw. He and the other panelists mentioned the need to keep this in mind when working in this vertical.

There was a frank discussion about the challenges facing those in this segment, especially their need to find and train drivers who are sensitive to the unique nature of these deliveries.

Camargo asked the panelists to end the session with stories that showcased the unique nature of medical logistics.



Our partners' success is our success ... We do whatever we can to make sure that everyone's succeeding including, our clients and our clients' patients, who we ultimately serve."

"We recently had a kidney move from Boston to Pittsburgh," said Sanner. "When we move kidneys, we normally get advance notice, but this was a last-minute call. We were able to step in and book a flight and even make sure there was a contingency flight, just in case. I love how invested our people are in moves like this. In this case, our dispatcher called ahead to Pittsburgh and had a police escort to the hospital for the kidney. And once we landed we were able to deliver it on time and successfully give the patient a second chance. It makes you feel good about what you do every day."

Mesa added his story: "We recently had a situation that involved an eight-year-old girl who fell off a horse in Australia. There were no surgical kits to treat her anywhere in the area or in all of Australia. We got it there thanks to all our partners who picked it up and coordinated with other carriers to ensure that it moved. And that young lady was able to successfully walk again because of everything our service partners and carrier partners did."

It was a moment that brought home the special nature of this kind of work.

#### Technology & The Final Mile - Are You Improving?

Running parallel to the Medical Logistics panel was a Technology Panel, moderated by Charlie Piscotta II from Key Software Systems. It featured:

- Akash Agrawal, Co-Founder & Chief Business officer, Beans.ai
- June Hayford, COO & CFO, <u>Drivv/Courierboard</u>
- Timothy Kravitz, COO & CTO, Logistics Technology HQ.

The panelists discussed how critical the final mile is for any business that wants to retain their customers and the role that today's technology plays in responding to the dynamic nature of this part of the supply chain.

Customers want instant updates, next-day and same-day delivery. Waiting days or weeks is no longer enough to satisfy them. That means it's imperative that carriers have the technology to boost the final-mile of the logistics process. The session focused on how participants could take a critical look at their technology to determine if they are equipped to deal with these rising consumer expectations.

# A Final Mile Forum That Really Delivered





































#### Finding Common Ground

The business day ended with Round Tables where shippers, carriers, forwarders, brokers and logistics program representatives met to find common ground. Carriers were able to choose the verticals they were interested in and learn directly from those involved. For some, it was about discussing verticals where they are strong and are interested in adding customers. For others, it was learning about markets they were considering entering.

#### A Grand Reception Miami Style

Everything Miami was on splendid display at the first day's closing reception. Set along the banks of the Miami River, the reception included an elegant taste of the area's foods, music, rum and salsa dancing, complete with a craftsman hand-rolling cigars.

Sponsored by Openforce, the reception included a signature drink named in their honor and an Openforce ice sculpture that gave new meaning to the term cool. Guests enjoyed local delicacies such as coconut lobster bites, conch crab fritters, grouper macadamia and tequila chicken quesadillas, capped off by goodies from an ice cream bar on wheels. A DJ played Miami dance club music. Salsa dancers thrilled the crowd with their elegant and athletic dance steps, inspiring conference chair Tom Jowers and his wife Kim to show off a few of their own impressive moves.

Spirits were high as guests reveled in the ability to talk, laugh, hug and just plain enjoy each other's company as a way to reconnect with old friends and appreciate the company of new ones.

# Day 2

#### "The Great Resignation" Keynote

A packed conference hall greeted the conference's second keynote on Friday morning. Keynote speaker, Gene Marks talked about ways to attract and retain the best personnel in a post-COVID world. This columnist and business management author has written for The New York Times and The Washington Post, and now contributes The Hill, The Philadelphia Inquirer, Forbes, Inc. Magazine, Entrepreneur Magazine, and The Guardian. He has written five books on business management, geared towards small and medium sized companies. His most recent is Want More Cash? 100+ Ideas and Strategies for Increasing Your Company's Cash Flow This Year.

Drawing on his experience covering business, providing technology consulting for small and medium businesses and his background working for the international consulting firm KPMG, he offered sharp insights and concrete strategies for attracting and retaining the right people. "The big issue for my clients, my readers, my community - besides inflation and supply chain - has been finding and attracting good

employees," he said. "The good news is that it is going to start to come to an end sometime soon ... [due to the projected] economic slowdown... No one wants to see a slowdown in the economy, but there are a couple of benefits of having a bit of a slowdown in the economy in the second half of this year," he said, pointing to the impact on labor.

#### He offered sources to find workers right now:

- Existing employees
- Portals like Courierboard
- Professional associations like state CPA societies or the local chapters of the Society for Human Resource Management (SHRM)
- Faith-based organizations
- College and trade schools
- State-sponsored job sites
- Social media "You can do advertising on social media that can promote your jobs to employees
  in specific areas with precise backgrounds with particular skills. It is a very, very targeted way to
  get employees," he said
- Executive recruiters
- "Canvassing," which Marks defines as "keeping your eyes open." He illustrated this last point with a story: "A couple of months ago I was doing a presentation at a conference and met someone who told me he doesn't have any problem finding people for his company because he keeps his eyes open. He says whenever he is out eating or going to retail stores, he ...constantly stumbles on employees working in other places that have energy and enthusiasm and great attitudes. There's potential gold there and we should all open our eyes up to those opportunities."

#### He talked about the hot trends in employee retention. These include:

- Health Savings Accounts (HSAs)
- Health Reimbursement Accounts (HRAs)
- Flexibility to work from home
- Four-day work weeks
- Unlimited paid time off
- Helping employees cope with mental health issues
- Giving employees help tackling student debt
- Adding Employee Stock Option Plans (ESOPs).

Marks concluded his remarks with this advice: "Be involved with the industry. Make sure you're keeping an eye on the hot benefits... The investments you're making now in the employees you're hiring now will benefit your business in the future."

For more about the trends on the people side of our business that will impact the industry in 2023, see the story on page 14.

#### Panels - Reinventing the Supply Chain and Mergers & Acquisitions

#### **Supply Chain Panel**

Conference participants had their choice of two breakout sessions after the keynote: Reinventing the Supply Chain and Mergers & Acquisitions.

Those who chose the first workshop participated in a lively session moderated by Board Member Eddie Pillow featuring three shippers who shared what they look for when choosing carriers.

#### The panelists included:

- William Tavares, Director, Logistics Network Development, Pitney Bowes
- Doug Hatch, Senior Director, Last Mile Operations, <u>Hub Group</u>
- John Conte, Head of Logistics, <u>Simple Tire</u>.

#### Among the topics the session tackled were:

- Supply chain disruptions
- Port congestion
- Fuel charges and the escalating costs of everything
- Driver shortages
- The expected extended peak season
- Setting realistic expectations with clients
- Establishing larger and more resilient networks of providers
- Creative measures to work with carriers to cope with rising costs
- Preparing for a possible recession
- The critical role of technology to facilitate transparency throughout the lifecycle of shipments
- Data mining and the use of predictive analytics
- Meeting higher consumer expectations through more sophisticated track and trace systems
- Coping with capacity constraints
- The increasing presence of international companies.

#### **Mergers & Acquisitions Panel**

Those who attended the Mergers & Acquisition workshop, sponsored by Dropoff, got a good look at the lifecycle of a merger, from the initial strategy to the execution. Moderated by the 2022 CLDA Honoree, John Benko, the panel included:

- Alex Rafla, Board Observer, <u>American Expediting</u>
- Sean Spector, Co-founder/CEO, Dropoff
- Chuck Moyer, Partner with Tompkins Ventures
- Peter Berg, Principal & Practice Leader, <u>TrueNorth Insurance and Financial Strategies</u>

#### Among the topics covered were:

- How businesses are valued
- The role of private equity and venture capital firms
- Preparing a business for acquisition
- Why EBIT numbers are critical
- Due diligence
- The critical role of data and well-ordered financials
- Succession planning
- Next steps for the owner post-transaction
- Vetting potential buyers
- The role of advisors
- The steps involved in an acquisition of a company
- The emotions at play balancing the head and the heart.

Benko wrapped up the session by acknowledging how challenging the process can be. He encouraged participants to take some time to digest the advice from the panelists and to bring in experienced advisors if and when they get involved in these transactions.

For more about the mergers & acquisitions trends that will impact the industry in 2023, see the story on page 26.

#### Final Mile Roundtable: Carrier-to-Carrier Learning

Those who've attended past Final Mile Forums always single out the Carrier-to-Carrier Roundtables as a high point. And this year those roundtables had record attendance as carriers met to swap ideas, share concerns and learn from each other.

#### Fireside Chat - Adapting to the Future of the Final Mile

The conference wrapped up with a far-ranging and lively conversation about the industry with three of its veterans:

- Mike Fiorito, Board Member, Openforce
- Chuck Moyer, Partner with Tompkins Ventures
- Larry Zogby, CEO, RDS Delivery.



Together these industry pros brought their 114+ years of experience to the table, tackling such issues as:

- Upping your game on driver recruitment
- Attracting and keeping CSRs and dispatchers
- Building a culture that attracts and keeps team members
- Coping with high driver turnover
- Shifting priorities of today's workforce
- Mobilizing technology to take some of the stress off the labor force
- Using overseas workers for customer service, administrative support, track and trace and driver recruitment.

#### Wrapping Up a Memorable Conference. Setting the Stage for FMF 2023

The conference concluded with lunch, prizes, visits to vendors for one last peak at the latest products from exhibitors, final business card exchanges and a look forward to the next Final Mile Forum at the Hyatt Regency in New Orleans, February 9-11, 2023.

Mahir Butt from <u>Hackbarth Delivery Service</u> was impressed with the show's content. Here's what he had to say: "The conference was great for me as a first-time attendee. I enjoyed it a lot. I made a lot of connections and used the mobile app which was very helpful. The organizing staff did a fantastic job putting this conference. Thank you!"

Conference participant Ryan Schwalbach from <u>Now Courier, Inc.</u> summed up the 2022 Final Mile Forum in his own way: "After two years away from the FMF (due to COVID) it was wonderful to reconnect with other couriers, shippers and our vendors. You forget how close we are as an industry until you are around everyone again. I've missed our association and I'm happy, and proud, to be back with my people!"

If you missed the excitement of the 2022 Final Mile Forum and are looking for a taste click here for a link to all the photos.



Want to be the first to know about the topics, vendors, and celebrations at the 2023 Final Mile Forum in New Orleans? Check the Education & Events tab at clda.org and watch you email. See you in February!





BY ANDREA OBSTON
CLDA DIRECTOR OF PUBLIC RELATIONS

# IT'S BEEN A BIG YEAR FOR JOHN BENKO.

He and three CLDA board members have joined forces to form a nationwide network in the final-mile space. He and his wife Sandra sent their daughter off to college, making them empty nesters with the freedom to live anywhere in the country. And he became the 30th member of the CLDA Hall of Fame.

It was a journey that started for John when he was 17 and one that took him to this year's Final Mile Forum in Miami where his long-time friend and new business partner, Tom Jowers, served up the honors.

Here's some of what Tom said about the man who introduced him to the benefits of industry associations: "Around 15 years ago, my personal life changed for the better. Although I'd been in the industry for over 15 years, I had no idea about associations. I went to the ECA conference in Chicago, and I met a guy who introduced me to his boss, John Benko. Soon after that, Benko calls me up and says, 'Hey, you like hockey?' And I say, 'No'. To which he responds, 'Well, you're gonna go to a game with me.' We sat and talked about business the entire time. So, five years go by, and we stay in touch, but I'm struggling in my business. John says to me, 'We've got to get you out of that situation. But before we do that, why aren't you involved in any of the industry associations? You need to get involved.'"

John introduced Tom to members of the Florida Messenger Association, which at the time wasn't very active. Together, the two men rebuilt it and eventually Tom became the president. Next, John wanted Tom to get involved with MCAA (CLDA's predecessor). Tom continues the story: "John says, 'Hey, there's this group, the MCAA. You need to be part of it.' And I'm thinking 'How am I going to do that too?' But John insists, so I go to a meeting and it's so good that I stick with it. Then he says,

'You need to join the board.' And I'm like, 'You're crazy. I can't do that! I don't know the things that all the people in that room know.' His answer was, 'You have no idea what you know until you get in the room with those people and start creating relationships.' That was 16 years ago and I'm still here, on the board because John Benko pushed me to take that leap. He's my friend my guidance counselor. Now my business partner and I love him and want to be the first to congratulate him on joining the CLDA Hall of Fame."

While the intro gave John a few minutes notice that he was about to be center stage to accept his award, he wasn't quite sure how to respond. Here's what he came up with: "All right, full disclosure: I suck at this. I'm not usually at a loss for words but not when it comes to talking about myself. I'm no good at acknowledging praise of any kind. I'm very easy to talk to, I think, and I'm happy to talk about anything you want to talk about, but when it's about me, I 'm not that comfortable.

Where I do feel comfortable is when I'm talking about my passion for this association. Some of my strongest friendships have been born out of this association. Pretty much all of the good things in running my businesses have come from this. There are just good, good people who have helped me personally and professionally in this room tonight. I have enormous affinity for the CLDA and the MCAA prior to that. I wouldn't be standing here today absent the people in this room. I stand on the shoulders of some very, very smart folks who really helped me. I truly genuinely thank you for inviting me in. I very much appreciate everything that you've allowed me to participate in. But I would be remiss if I didn't acknowledge the folks who are standing behind me, my family. They're really the ones who have sacrificed everything. Sandra, my wife, sacrifices today and has over the years allowing me to do this.



She could have put up a fight and said, 'No, I need you,' but she knew that this was important to me. She knew what we got out of it, and she supported me unconditionally. My eldest son Kyle, my daughter Cooey and father-inlaw Mario who are also with me tonight are the ones who keep me going, along with my mother-in-law and middle son Gavin who couldn't be here tonight. I'm just very, very blessed to have good people surrounding me. I thank all of you for your support; for your trust and for your friendship."

#### A JOURNEY THAT STARTS AT AGE 17

The road that led John to the CLDA Hall of Fame started at age 17. In 1984, John entered the world of logistics as a Station Agent for Piedmont Airlines in South Bend IN. He sold tickets, boarded flights, worked in air freight, loaded luggage, and even did weight-balance on the planes. He spent 18 years with the airlines.

Over the next three decades he moved from the airlines into the courier business and to the presidency of the CLDA in 2016. He's run companies. He's owned and sold his own companies. He's consulted with companies and even nursed a few through the mergers and acquisitions process. And in March of this year, he joined forces with three other CLDA board members, Tom Jowers, Randy Edmonds, and Monte O'Hare, to form a nationwide network to provide the lower 48 US states with final-mile services.

John claims much of the journey would not have been possible without the relationships he's built through this association: "I'm a byproduct of lots of different people who have helped me along the way. Without the guidance of lots and lots of folks including the past presidents of the CLDA, the members of past boards, the present board, and staff it wouldn't have happened this way. It was a village that raised John," he says, calling his two decades with the association, "A labor of love."

He attributes his long and varied career in logistics to the skills and relationships he's bult through the association. "The businesses that I've had; the ones I've sold; the ones in which I've worked would have been far weaker without the influence of the CLDA. So, it's me who really owes continuous praise for this association. Absent of that, I would be a lesser individual, and I would not have had the success I had with each of my businesses."

#### JOHNNY APPLESEED

When it comes to the CLDA, John calls himself, "Johnny Appleseed. I go out and spread the good word about this association."

He's bullish about the association's ability to open the door to discussions with others experiencing the same challenges: "I think that you participate in the CLDA for the networking opportunities. Being able to talk to folks and

listen to what they are sharing is invaluable. The fact that I can pick up the phone and talk to hundreds of people to tell them about my challenges or my struggles and ask for help is priceless. You can't buy that anywhere else."

The association's advocacy efforts also strike a chord with John: "From an advocacy standpoint, there's nobody in our space that does what we do. The CLDA does more to advocate for the advancement of those in the final-mile delivery space than anyone else. I think you join the CLDA because your voice is stronger when it's united with many others. You have a lot of folks around you who are able to be louder on behalf of the industry than you could be individually. Our advocacy efforts help spot legislative issues that could put members of our industry out of business. You want someone to help you be on the front side of those issues. You want someone to advocate for you before those issues run you over. That's what this association does better than anyone else."

He reminds anyone who will listen that the CLDA is all about mutually building members' businesses: "I know there's a significant amount of business that gets pushed and pulled back and forth between companies who are members. If you are part of a company in this space and you want additional business, I think this is one of the best ways to do it. The CLDA provides venues where there's a concentrated group of shippers and carriers. At every CLDA event, you hear small and large carriers raising hands and saying, 'Hey I can help you with that.'"

He sums things up this way: "It's a competitive disadvantage if your company is not part of the CLDA. If you choose not to plug in and not to use this group of industry pros to put your ear to the ground, you're at a disadvantage against those companies that do. You run the risk of getting run over or having opportunities pass you by."

#### A LOOK BACK AT TWO DECADES WITH THE ASSOCIATION

Thinking about his 20+ years with the association - including 14 on the board, 12 on the Executive Committee and two as president - John is philosophical and grateful.

Here's how he sums up his time with the association: "Joining the MCAA/CLDA 20 years ago was one of those pivotal decisions that was and continues to be a game changer for me and my family. The CLDA has taught me much about faith, family, business, and politics. It has allowed me to forge and foster lifelong friendships that mean everything to me.

Before joining this association, I was told that it was different than other trade association because the members truly care about helping each other to be successful. 'A rising tide raises all boats' was a quote that immediately jumped to mind when I experienced my first conference in 2003. After attending the 2022 CLDA FMF in Miami, I am happy to report that this theme continues to be strong today."

In reflecting on joining others who are part of the CLDA Hall of Fame, he concludes with this: "I am very honored, humbled, and grateful that the current CLDA Board saw fit to acknowledge my small contributions over the years in this very special way. I will always treasure this induction into the CLDA Hall of Fame. I remain very thankful to those past Presidents and Boards who came before me, for their leadership and examples that helped pave the way for others, including me. Thanks to the past and present Kellen Staff for their continuous support of the MCAA/CLDA over the years. Lastly, I'm forever grateful for my family's sacrifices and support over the years, for allowing me to volunteer and be a part of this great association." CLDA



# CLDA's Executive Leadership Summit October 6 to Feature a Pathway to Prosperity in **Extraordinary Times**

Industry executives and the supply chain's next generation of leaders will gather virtually on Oct 6 to build the skills to take on today's challenging times. CLDA's annual Executive Leadership Summit (ELS) will be an interactive, online workshop featuring industry experts, logistics pros and successful CLDA members. The on-line event will run from 10:00 a.m. to 4:30 pm (Eastern).

This is the fifth year for the CLDA's Executive Leadership Summit. The conference is designed to offer skill development to c-suite executives, young professionals, and managers in the leadership pipeline. Together they will build skills to take on today's runaway inflation, to win the war for talent and to prepare for the possibility of a recession. "This is an annual event that helps build the next generation of leaders in the last-mile, industry," says Conference Chair Brian Surber. "It is the perfect opportunity for up-and-coming executives to learn strategies from experts in the field and from our most successful and seasoned CLDA veterans. Every year we present it to strengthen the talent pool in our industry and support the logistics leaders of tomorrow."

Participants will take active parts roles in the sessions including participating in individual break-out rooms where they will discuss shared challenges and ways to take them on. In addition, participants will get a chance to network at a virtual happy hour at the end of the day.

Registration is now open to all in the industry with a discount for CLDA members. For more information and registration, go to the events tab at CLDA.org. CLDA

# **Upcoming Webinars**

Mark your calendar for the next CLDA webinar called "Why CLDA?" on October 19, 2022, 1:00 to 2:00 p.m. (Eastern). Learn how you can get the most from your CLDA membership, connect with some of the most successful leaders in the logistics space and play an active role in this exciting organization. Find out about events, resources, and opportunities to increase your company's visibility. The presenter will be Board Member Lorena Camargo, CEO and Founder, Pearl Transportation & Logistics.

#### Dates for upcoming webinars are:

DECEMBER 7, 2022 FEBRUARY 22, 2023 MAY 3, 2023 JUNE 7, 2023 JULY 12, 2023 AUGUST 16, 2023 **SEPTEMBER 20, 2023** OCTOBER 25, 2023 DECEMBER 6, 2023

# Make a Difference. Grow Your Business.

Looking for a way to grow your business? Gain access to the most successful people in our industry? Learn what shippers want from your company? You can do all that and more by becoming an active part of in the CLDA.

We know that those who get involved in this association get ahead. They link up with decision makers. They make personal connections from those who can offer them new business opportunities. And they make life-long industry friends who will pick up the phone when they need a hand.

We know you're busy putting out fires and the thought of committing to a long-term volunteer assignment may be more than want. So, start small. Spend the time you can. Then watch your business grow along with your involvement.

#### Here's how:

- Check out the committees to see what strikes your fancy. You'll find a list here
- Connect with a few members of those committees to see what they are all about. You'll find their names <a href="here">here</a>
- Drop into a few meetings then join the ones that work for you, interest-wise and timewise
- Join a committee
- Take the reins and run a committee
- Present a webinar or just suggest a topic to Webinar Chair <u>Tim</u> <u>Cocchia</u>
- Write or suggest an article for the Customized Logistics & Delivery Magazine. Email the editor by clicking <u>here</u>
- Send your company news to Customized Logistics & Delivery Magazine. Email the editor by clicking <u>here</u>
- Make your voice heard on Capitol Hill or in your local statehouse by joining or contributing to the Advocacy Fund. Click <u>here</u> to learn more
- Contribute to the leadership of the association by running for the board
- Move into a decision-making position as one of the top leaders of the CLDA by being a part of the Executive Committee.

Think of the time you spend as an active member of the CLDA as an investment. The more you put in, the more it will grow. What are you waiting for? **CLDA** 



# Make the Most of Your **CLDA** Membership

Are you getting the most out of your CLDA membership? Maximize your investment with our wide array of benefits.



#### **Grow Your Business**

CLDA events are designed to help you expand your network and create new business opportunities. Mark your calendar for the Executive Leadership Summit to be held virtually October 6. Bring your C suite and up-and-coming leaders and build your professional acumen.

Access members-only direct contact details in the upgraded Find a Delivery Partner function. Courier members - make sure you keep your profile updated.

Get insider information on topics such as: legal, family business, finance, networking, strategy, womenand minority-owned, retirement and special whitepapers in the Resource Center. We are regularly adding information, so check back often and let us know what you'd like to see.

#### **Influence Policy**

Join the CLDA Regulatory Affairs Committee or TSA Regulatory Group to amplify your voice on key issues and participate in the regulatory discussions shaping our industry.

## Hone Your Leadership Skills

Join a CLDA committee to help direct the future of the organization and the industry.

Suggest a topic for a CLDA webinar, event session or addition to the Resource Center.

#### Support Your Staff

Leave the administrative hassle to the professionals at HUB International, our partner for the CLDA Member Health Plan. Offer your employees limited medical plans at little or no cost to you.

Easily bring competitively priced online training programs to your team. The first selection, with partner EverFi, covers workplace culture.

Delve into the hot topics and current challenges facing the logistics and delivery industry with free members-only webinars.

#### **Save Money**

Members-only discounts abound - CLDA events, advertising in the Customized Delivery & Logistics magazine, training programs and webinars.

Save on everyday services and programs through the Member Benefits Program.

#### **Expand Your Visibility**

Sponsor a CLDA event to show your support of the industry and promote your brand leadership.

Take advantage of special member offers through the <u>Customized Delivery & Logistics magazine</u> including discounted advertising rates. Watch your email for calls to participate in the Members Speak or Member News sections.

Visit the CLDA website for more details on any of these member benefits or contact us at info@clda.org. Not a member? Join today. Click here. We appreciate each and every member company. Your diverse insights and experiences make us a stronger force to represent and influence the final mile industry. CLDA

# **CLDA Awards Third Continuing Education Scholarships**

CLDA recently awarded its third annual CLDA Scholarships to three students who are the children of members of the association. Each student will receive a \$1,000 scholarship to pursue education beyond high school.

This year's recipients are

- Brody Bernecker, the son of Jim and Mindy Bernecker. Jim is the president of <u>Relay Express</u>.
- Taryn Bilchik, the daughter of Bryan and Sandy Bilchik. Bryan is the Director of IT at Need It Now.
- Kylie Jowers, the daughter of Thomas and Kimberly Dawn Jowers. Thomas is the Chief Operating Officer at <u>ADL</u>
   <u>Delivery</u>.



Bernecker graduated from Archbishop Alter High School in Spring Valley, OH with honors. He plans on attending Miami University in Ohio in the fall with an eye towards a career in business, finance, or entrepreneurship. He was Vice President of his high school's Investment Club and a member of both the Key Club and the National Honor Society. He served as the captain of the schools' Food For All effort, coordinating transportation and food for the school's annual food drive. He played on the school's varsity basketball and soccer teams. He was recognized as the Employee of the Month at his job at the Dayton Country Club.



Bilchik graduated from Sickles High School, Tampa, FL in the top 10% of her class. She plans on attending the University of Florida in the fall with an eye toward veterinary medicine. She got a head start on that career by becoming a Certified Vet Assistant in her Junior year of high school. This enabled her to volunteer at a local nonprofit animal clinic. She also earned the school's Greenhand award, served as Color Guard Captain and was a member of the National Honor Society. A passionate horseback rider, she also volunteered as a counselor-in-training at Girl Scout camps and was an involved member of the Future Farmers of America.



Jowers graduated Cypress Ranch High School in Cypress, Texas with honors. She will be going to Texas State University in the fall with an eye towards a career in directing or playwriting. She graduated Cum Laude from her high school and earned recognition with membership in the International Thespian Society. In high school she was involved in theater, Color Guard, the school's Peer Assistant Leadership program, Hero Club, and the Senior Women Club. She was an involved member of the Texas Association of Future Educators.

Those applying for the scholarship had to be associated with a CLDA member and planning on attending college, a trade school or trucking school in the fall. Applications were reviewed by the CLDA Cares Committee, and the decisions were made based on their backgrounds, grades, and their essays. The scholarships were funded by donations from CLDA members, vendors, and affiliates.

The CLDA Scholarships are awarded annually. Submissions for the 2023 awards should be submitted by April 1, 2023. For more information go to the CLDA Cares tab. CLDA



# Business **Toolkit**





BY DAN ADAMS, PMP, CHIEF OPERATING OFFICER AT LOGISTICS TECHNOLOGY HQ

# **DECREASING YOUR** CYBER RISK WITHOUT BREAKING THE BANK

Cyber attackers are indiscriminate. They do not care if your company is big or small. What they do care about is doing the most damage and getting the most compensation out of making your life a living hell.

Protecting your company doesn't have to break the bank. There are probably tools in your existing system that can go a long way towards protecting your business. Tools you may not be using properly or at all.

Here are some basic things that can help any organization reduce their risk without breaking the bank.

- Utilize cloud-based storage for company data. Having files in the cloud provides a recovery path for data if one of your PCs is the target of a ransomware attack. Google Drive and One Drive are common examples of these cloud storage options that you likely have purchased as part of either email or PC licensing.
- Keep your devices updated. As tempting as it is to keep pushing the "later" button when your system notifies you of an update, don't do it. This is akin to playing trashcan Jinga to avoid taking out the trash. No software is perfectly secure. Regular updates are how manufactures resolve the vulnerabilities that are found over time. This is important because as updates come out it also enables bad actors to know more about issues they could potentially exploit.

- Make sure virus scanning is enabled and running. Virus
  scanning is designed to work in the background and remain
  hidden from the user. This makes it easy for the system to
  alert you about a potential virus. Turn them off and the
  next warning you get of will be that your system stops
  running well or, even worse, that you've become the victim
  of a cyber attack.
- Train personnel on how to identify and react to phishing scams. Your people are your biggest vulnerability. Scammers know this and will often exploit this soft spot in your security. Email filtering and virus scanning tools have their limits and cannot protect you against that employee who feels compelled to open that heartfelt email from a Nigerian prince who needs their help. This is where training comes in. There are lots of programs out there, including this one from the Department of Homeland Security.
- Know when it's time to call in help. When having these conversations and check-ins becomes burdensome it's time to bring in the professionals to help. This support can range from hiring your own IT person to having access to an entire team from an IT Managed service provider

(MSPs). MSPs provide a way for small and medium sized companies to get access to an array of personnel with different skills for the various IT challenges. MSPs typically offer wider hours, established tools and processes already in place compared to starting from scratch with your own personnel.

Cost is a major concern when people start looking at hiring an MSP. But there are ways to control what you spend here, too. Look for the options. Contact several providers and ask how you can purchase only what you need and scale it as your organization grows.

And before you say these kinds of services are one more cost you don't need, ask yourself this: "How much will it cost me in time, money and customer relations if my system goes down?"

Want to know more about protecting your system without breaking the bank? Email <u>Dan</u> directly or check out the <u>Logistics Tech HQ</u> site. **CLDA** 



# WELCOME New Members

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.

#### Avia Express LTDA. - Bogotá, CO

Avia Express Ltda. is an enterprise located in Colombia, with the main office in Bogota D.C. It operates in the Couriers and Express Delivery Services sector. The company was established on July 12, 2007.

Contact us via email.

#### City Business Shipping & Services - Los Angeles, CA

City Business operates out of 5 locations in Los Angeles and San Francisco where we offer the following services: White Glove and Residential Delivery, Air Freight Pickup and Delivery, Hot Shots, Real Estate Staging, Consolidation, Crating, UPS Shipping, and Post Office Boxes. We have been named top shippers for the entire UPS family every year since 1995 - an unprecedented streak of 25 years. Trusted by our community, clients, and suppliers, we have the right moves to quickly transport your goods at reasonable prices.

Find us on Facebook or contact us via email.

#### **Enterprise Holdings – St. Louis, MO**

We are proud to provide truck rentals to our customers with the same high level of service for which Enterprise has become known. Enterprise Truck Rental embodies the spirit of Enterprise Rent-A-Car and reflects the same great rental package that Enterprise is famous for... only bigger. Each and every day, Enterprise Truck Rental customers discover why we are earning our place as an industry leader.

Find us on Twitter or contact us via email.

#### **G2 Capital Advisors LLC – Boston, MA**

An integrated multi-product industry-focused advisor firm creating bespoke solutions for corporate and investor clients. We work with clients across a range of situational dynamics, from the development and execution of a growth strategy to struggles with a challenging downtrend. Our breadth of service capabilities is best in class across the middle market. Our team of former industry operators, C-level executives, entrepreneurs, and financial advisory professionals provide unique operational & financial solutions to support our client's strategic goals.

Find us on LinkedIn or contact us via email.

#### Inpax Shipping Solutions, Inc. – Atlanta, GA

If your business requires storing, moving, transporting, or distributing products or packages, we can help you with those needs. Our extensive industry expertise and commitment to quality service allow us to excel at our core competencies.

Find us on LinkedIn or contact us via email.

#### **NuBrakes – Austin, TX**

NuBrakes is an on-demand and mobile auto-repair company. Instead of taking your vehicles off the road, sending them to a shop, and losing revenue, NuBrakes comes to you! We offer custom-tailored preventative maintenance and repair solutions to minimize downtime and maximize safety for your fleet. We offer services 7 days a week with dedicated account management. We offer a full set of repair and maintenance services to meet all your needs. We

currently provide services to over 50 fleets across multiple states. We have over 8,000+ 5-star reviews! Come check us out!

Find us on LinkedIn or contact us via email.

#### **Shipspry LLC** - Phoenix, AZ

We are Shipspry LLC, Your global logistics and expedited transportation solutions, provider. Focused on our client's goals by providing the strongest and most reliable link in their supply chain.

AIRCRAFT CHARTER: For any size transportation emergency, anywhere in North America and Worldwide. NEXT FLIGHT OUT: Ultra-fast service using the next possible commercial flight(s) from origin to destination NEXT DAY AIR: Urgent cargo requiring delivery the next business day by 5 pm. Morning delivery and time-specific options are available!

EXPEDITED GROUND: Door-to-door critical shipments using a wide range of equipment including straight trucks, vans & tractor-trailers.

ECONOMY SHIPPING: Carefully curated and cost-effective options for your "less sensitive" shipments. Thoroughly tracked and traced from start to finish!

SECOND DAY AND THIRD DAY SPECIFIC: Your shipment will be delivered by the second or third business day.

Find us on LinkedIn or contact us via email.

#### <u>Sierra Express Medical Delivery LLC.</u> – Brockton, MA

SIEMEDS; is a Massachusetts based dedicated US Courier that can transport and deliver medical equipment, specimens, organs, and laboratory material anywhere in the United States of America. WE do safe date delivery, rush/emergency delivery, and one-week delivery. We are express in our deliveries and SAFETY in all our work.

Contact us via email.

#### **Smith Eilers, PLLC - Boca Raton, FL**

Smith Eilers provides top-notch legal services to clients in all practice areas, serving as general counsel, handling business transactions including mergers and acquisitions, as well as providing traditional outside counsel services like litigation. We are truly a full-service law firm with attorneys ready to meet whatever challenges your company might face.

Find us on LinkedIn or contact us via email.

#### Western Slope Courier, Inc. - Grand Junction, CO

24x7 On-Demand Regional Delivery & Warehouse serving Western Colorado. Airport service to and from Grand Junction, Moab, Delta, Montrose, Gunnison, Durango, Aspen, Eagle, and Denver (TSA Certified), First and Last Mile services, forward shipping location, and secure storage.

Contact us via email.

#### **2UBOX - Houston, TX**

We are in the business of delivering efficiency, through the rental of our products. We have developed a lightweight but extremely strong detachable container on top of a chassis with multiple benefits and capabilities as a more effective solution way to deliver H3D goods. We offer to lower the total cost of delivery and improve warehouse efficiency in the process.

Contact us via email.





### **Lasership and OnTrac Expand E-Commerce Delivery Network to Texas with Launch in Early 2023**

Leading e-commerce parcel carriers <u>LaserShip</u> and OnTrac recently announced the expansion of its e-commerce delivery network into Texas in the fast-growing urban megaregion of Austin, Dallas-Fort Worth, Houston, and San Antonio with deliveries set to begin in early 2023. The Dallas-Fort Worth facility will operate as the carrier's major sort hub for Texas to reach 19 million new consumers with faster, residential e-commerce delivery.

"Our focus has always been our relationships with retailers. We are proud to expand to Texas and provide our retail partners with a proven carrier that can help them meet their customers' expectations of faster delivery," said Josh Dinneen, Chief Commercial Officer at LaserShip and OnTrac. "As national carriers prioritize profits over partnerships, we are helping retailers win more customers and build brand loyalty across the Lone Star state. We also look forward to welcoming more employees into the Laser-Ship/OnTrac family and growing our involvement within the local communities."

Located at 802 East Centre Park Blvd. and developed by the industrial team of Crow Holdings Development, the 300,000 sq. ft. sort center will facilitate millions of deliveries to more than 7.6 million residents in the greater Dallas-Fort Worth metroplex and provide easy access to the I-35 and I-20 corridors. LaserShip and OnTrac are creating hundreds of full- and part-time jobs to help meet

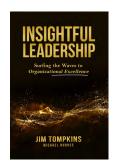
local delivery demand, while boosting economic growth across the regions.

"Crow Holdings Development is proud to partner with great tenants like LaserShip and OnTrac, as they seek to meet the needs and expectations of their customers and especially as demand for e-commerce continues to grow," said Crow Holdings Development Managing Director Brad Cooper. "For more than 70 years, our company has taken a strategic and targeted approach to building state-of-the-art logistics spaces in vibrant markets, and this project has been particularly rewarding, as it's located in our headquarters' hometown."

By expanding to Texas, the combined LaserShip and OnTrac delivery network will reach 80% of the U.S. population in 2023. Retailers will also be able to take advantage of LaserShip and OnTrac's new transcontinental delivery service, which helps retailers reach consumers in the country's most populated regions with faster, reliable home delivery that builds brand loyalty at a lower cost. Launched as a product of the companies' 2021 merger and in response to overwhelming customer feedback for a proven alternative to national carriers, the transcontinental service connects LaserShip and OnTrac's complementary East and West Coast delivery footprints to move packages from coast to coast in as little as three days. CLDA

# Insightful Leadership: Surfing the Waves to Organizational Excellence Published by Jim Tompkins

CLDA keynote and industry guru Jim Tompkins recently published his 31st book called Insightful <u>Leadership: Surfing the Waves to Organizational Excellence.</u> The book provides a systematic way for leaders to harness the power of disruptions and accelerate the rate of innovation to achieve competitive advantage. "Disruption is the new normal. The chaos of the last few years has changed how people live, work, shop, learn, entertain themselves – everything businesses look to provide," says Tompkins, chairman of Tompkins Ventures and Tompkins Leadership. <u>Insightful Leadership</u>: <u>Surfing the Waves to Organizational Excellence</u> is available through Amazon. CLDA





# **GEODIS** to acquire Need It Now Delivers to significantly strengthen its U.S. offerings

GEODIS, a world leader in transport and logistics, today announced that it has signed an agreement to acquire the American company, Need It Now Delivers. The acquisition will enable GEODIS to significantly increase its presence in the United States in the areas of contract logistics and last-mile delivery. The acquisition will also consolidate GEODIS's position as one of the world's ten leading logistics providers.

Marie-Christine Lombard, CEO of GEODIS, commented: "The acquisition of Need It Now Delivers is a key step through which we will strengthen and diversify our offerings in the U.S., providing our customers with a global and integrated end-to-end freight network in the United States, from international transport to last-mile delivery. This new acquisition represents an important milestone as we continue to progress on our strategic plan, Ambition 2023."

Need It Now Delivers operates an expansive domestic road freight network with more than 65 company locations and 300 distribution points, providing strong national coverage, particularly in the eastern United States. To offer its customers complete port-to-door logistics solutions, the company specializes in distribution, last-mile delivery, and in multi-channel contract logistics across a wide range of high-growth industry verticals. Owned in part by management along with the private equity fund Palm Beach Capital, the New Jersey-based company employs approximately 2,000 people and is expected to reach revenues close to \$750 million in 2022.

"Our U.S. supply chain business has consistently grown over the last 10 years," said Mike Honious, GEODIS in Americas President & CEO. "With the services, capabilities, and the leadership team of Need It Now Delivers, we will expand our offerings and support the growth strategies of our customers."

This acquisition will strengthen GEODIS's American footprint and e-Commerce services portfolio, with customers able to benefit from the Group's expertise in end-to-end supply chain expertise in freight forwarding, road transport, contract logistics and last-mile delivery. Eric Mautner, CEO of Need It Now Delivers, said: "Since our inception in 1987, Need It Now Delivers has scaled rapidly to position ourselves as an industry leader with a special focus on omnichannel and last-mile delivery. Together with GEODIS, our teams can continue to build upon this momentum to provide customers with a more expansive network of flexible, efficient and reliable services that will ultimately allow us to successfully meet projected industry dynamics such as continued e-Commerce growth and increasingly complex supply chains that require the need for omnichannel capabilities." Once the transaction is completed, the GEODIS group will employ roughly 15,000 people across more than 200 locations in the U.S and exceeding 17,000 in the Americas. The combined organizations of GEODIS and Need It Now Delivers would have generated \$3.7 billion for full year 2021 in the U.S.

The acquisition is subject to regulatory review and approvals, which are expected to be obtained by end of 2022. Both companies will operate as independent businesses and run their operations as usual until that time. **CLDA** 

#### **ABOUT GEODIS**

GEODIS is a global leading transport and logistics provider recognized for its commitment to helping clients overcome their logistical constraints. GEODIS' growth-focused offerings (Supply Chain Optimization, Freight Forwarding, Contract Logistics, Distribution & Express, and Road Transport), coupled with the company's truly global reach thanks to a global network spanning nearly 170 countries, is reflected by its top business rankings: no. 1 in France and no. 7 worldwide. GEODIS employs over 44,000 people globally and generated €10.9 billion in revenue in 2021.



# Openforce's New IC Insure Product Wins Multiple Stevie® Awards in 2022 American Business Awards®



Openforce, the leading software platform for managing commercial relationships between contracting companies and their 1099 independent contractor (IC) workforces, today announced that

its IC Insure technology offering has won three Stevie Awards in the 20th Annual American Business Awards. IC Insure was awarded wins in the Technical Innovation of the Year, in the Emerging Technology and in the Insurance Solution categories.

IC Insure was praised by judges for its innovation in streamlining the complex process of insuring independent contractors. One judge stated, "IC Insure's ability to change how insurance brokers and agents manage insurance policies and exposures, including usage-based insurance, with their independent contractor insureds was impressive. Openforce's end-to-end technology platform simplifies and streamlines the insurance administration process, offering insurance brokers and agents one platform to manage their tasks. The highlighted details, including the platform's growth to over 5,000 insureds, were remarkable."

The American Business Awards are the U.S.A.'s premier business awards program. All organizations- public and private, for-profit and non-profit, large and small – operating in the U.S. are eligible to submit nominations. Nicknamed the Stevies for the Greek word meaning "crowned," the awards were presented to winners at a gala ceremony at the Marriott Marquis Hotel in New York on Monday, June 13.

"We are very excited to have been recognized multiple times by the American Business Awards for our new IC Insure offering. There is a real need to service the gig economy as it grows and requires insurance products that make sense," said Wendy Greenland, CEO of Openforce. "To receive multiple awards for our IC Insure product is continued validation of what we are doing in the market."

More than 230 professionals worldwide participated in the judging process to select this year's Stevie Award winners.

Details about The American Business Awards and the list of 2022 Stevie winners are available at www. StevieAwards.com/ABA. CLDA

#### **ABOUT OPENFORCE**

Openforce® is the leader in technology-driven services that reduce operating costs and mitigate compliance risk for companies using independent contractors. Openforce frees contracting companies from the burden of onboarding, contracting, and settlement processing while helping independent contractors build their business. Our cloud-based applications help businesses achieve more sustainable, profitable growth by removing financial, operational and compliance barriers to getting business done. Openforce is a portfolio company of Boston-based private equity firm Riverside Partners. Learn more at www.oforce.com.

#### **ABOUT THE STEVIE AWARDS**

Stevie Awards are conferred in eight programs: the Asia-Pacific Stevie Awards, the German Stevie Awards, the Middle East & North Africa Stevie Awards. The American Business Awards®. The International Business Awards® the Stevie Awards for Women in Business, the Stevie Awards for Great Employers, and the Stevie Awards for Sales & Customer Service. Stevie Awards competitions receive more than 12,000 entries each year from organizations in more than 70 nations. Honoring organizations of all types and sizes and the people behind them, the Stevies recognize outstanding performances in the workplace worldwide. Learn more about the Stevie Awards at www. StevieAwards.com.

Sponsors of The 2022 American Business Awards include HCL America, John Hancock Financial Services, Melissa Sones Consulting, and SoftPro.



# **ProCourier Earns a Spot in the Inc. 5000**

ProCourier was recently singled out by Inc Magazine as a member of the Inc. 5000 2022 class. The Inc. 5000 lists the 5,000 fastest-growing private companies in the US., based on the percentage of revenue growth over the last the last three years. The members of the Inc 5000 are among the .07% of companies in terms of growth. For ProCourier and all of those on the list it is a milestone of entrepreneurial success. The list is published online at inc. com/inc5000/2022.com.

"We are honored to be recognized for our growth over the last three years," says ProCourier President Michael Gualtieri." The last three years have been particulaly challenging and knowing that we beat the odds and achieved remarkable growth is a testimony to our team and our loyal customers."

Inc. describes the 2022 Inc. 5000 Class this way: "The list represents a one-of-a-kind look at the most successful companies within the economy's most dynamic segment—its independent businesses. The companies on the 2022 Inc. 5000 have not only been successful, but have

also demonstrated resilience amid supply chain woes, labor shortages, and the ongoing impact of Covid-19."

ProCourier, was founded in 1997 by delivery industry veteran Michael Gualtieri. His previous company, Connecticut Courier, earned a spot in the Inc. 500 in 1993. Gualtieri has been recognized as an industry leader with his induction into the Customized Logistics & Delivery Association's Hall of Fame in 2014. He served as the association's president in from 2008 to 2010. He has been an active member of the industry since 1980. CLDA

#### **ABOUT PROCOURIER**

ProCourier, which will mark 25 years in business in October, provides same-day couriers services, on-demand and scheduled delivery services, next flight out capabilities and expedited trucking services. They have operational facilities in West Hartford, New Haven, Stamford, and Watertown, MA. ProCourier's professionally attired drivers, responsive customer service and state-of-the-art technology gives customers real-time tracking and delivery verifications. With headquarters in West Hartford, the company provides time-critical logistics services through the Northeast and across the country. For more information, go to pro-courier.com.

## **Top Priority Messenger Service Moves to New Offices**

Arizona-based Top Priority Messenger Service recently moved to new offices in Tempe to offer better services to their clients. "The new offices are more central and closer to several freeways to make deliveries quicker," said Marlene Bushard, President, and co-founder of the business.

This woman-owned business will celebrate 24 years in business in October and is currently in the running for the second year for Arizona Business' best local, on-demand couriers/messengers award.

Top Priority Messenger Service is a full-service messenger company providing local logistics for AZ businesses. For more information see topprioritymessenger.com CLDA

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.