

SPRING 2021

Customized
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MAGAZINE

A large, stylized tree with a brown trunk and branches, and dense green foliage. The canopy of the tree is shaped to form a silhouette of a family: a large circle for the mother, a smaller circle for the father, and three small circles for children. The tree is set against a background of a blue sky with white clouds and a green grassy field at the bottom.

LOGISTICS BUSINESSES

When it's
all in
the family



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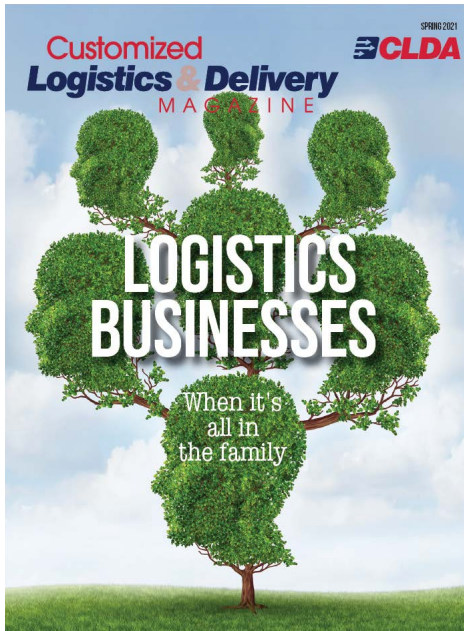
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President's Message

In only a few weeks, the CLDA family will be back together at the logistics industry's first national live event following the pandemic, the Final Mile Forum. I look forward to seeing all of you at our first in-person gathering in 16 months on June 23-25 at Caesars Palace in Las Vegas.

And while just about everything has turned upside down since our last Final Mile Forum in February 2020, some things have stayed the same. Members of our industry are still the essential workers that keep the economy moving, now more than ever. We are still making sure people get the medications they need; the food and supplies to live their lives and the goods that fuel the businesses of this nation. And, interestingly enough, we are still, very much an industry strengthened by companies that are second and third generation businesses.

A remarkable number of our members are part of family businesses. I can't tell you how often I meet a new CLDA member who introduces themselves by saying, "I made my first delivery at seven months old, strapped into a car seat while my parents were at the wheel making a late-night delivery." For many families, this business is a way of life. Today's company presidents grew up watching their parents build businesses. They worked in the warehouses in the summers and delivered goods during holiday breaks from school. And when they went out into the world of work, this business called them back. That's why we decided to devote an entire issue of the magazine to the joys and challenges of being a part of a family logistics business.

In this issue you'll read about:

- Building Family Businesses That Last on page 12
- Succession Planning That Leads to Success on page 16
- Making the Transition from One Generation to the Another on page 22
- Understanding the Needs of Multiple Generations on page 28
- Celebrating what's unique about working in a family business? on page 30
- Handling Conflict in a Family Business on page 34
- Working for a Family Business as a non-family member on page 38

You'll also want to check out the article about the impact of drones on our industry, featuring an interview with two executives from Air Canada Cargo on page 14 and find out about issues that are cropping up for those involved in cross-border deliveries on page 50.

And speaking of families, if you've enjoyed the business opportunities, networking and education you get as a member of the CLDA family, share them with someone else in the industry. You'll be doing them and yourself a favor. Why? Because anyone who brings in a new member before the Final Mile Forum will be entered into a drawing at the conference for a \$250 gift certificate.

We are #CLDAProud and we can't wait to see you in Vegas!

Onward,
Steve Howard

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Government Affairs

*By Michael Taylor,
CLDA Government Affairs Director*

In the first part of 2021, CLDA's Government Affairs team has remained very busy covering a lot of ground on behalf of our members.

Advocacy Fund Breakfast at Final Mile Forum

CLDA Government Affairs staff have secured Senator Mike Braun (R-IN) as the special guest speaker for the Advocacy Fund Breakfast at the FMF on June 24th from 7:30-8:30 am PST which is 10:30-11:30 am EST. Senator Braun is a member of the Budget Committee and the Health, Education, Labor and Pensions Committee (HELP). After college, Braun moved back to Indiana and joined his father's business manufacturing truck bodies for farmers. When the economy of the mid-1980s hit farmers hard and his father's business nearly went under, Braun steered the business in the more lucrative direction of selling truck accessories. The business subsequently grew from 15 employees to more than 300. In 1986, Senator Braun and Daryl Rauscher acquired Meyer Body Inc., a manufacturer of truck bodies and distributor of truck parts and equipment. In 1995, Braun fully acquired the company. Meyer Body was renamed Meyer Distributing in 1999. Today, Meyer Distributing is a nationwide contender in the third-party logistics business. As your CLDA Government Affairs team knows, Senator Braun thinks very highly of CLDA and looks forward to addressing CLDA members.



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

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

Congressional Outreach

CLDA Government Affairs staff began a Congressional outreach effort looking to educate offices about CLDA and our key policy issues by scheduling regular ongoing meetings throughout the year. This started by targeting members of the Congressional Air Cargo Caucus and is expanding to include members of the Problem Solvers Caucus, the Blue Dog Coalition, and select members of the New Democrat Coalition. These meetings seek to engage CLDA members who are constituents or who have other meaningful connections to the respective Congressional Districts along with CLDA staff.

Along with the planned outreach mentioned above and with the passage of the PRO Act in the House of Representatives, we have also set up meetings with Senators to communicate our strong opposition to S. 420 – the Senate companion bill to the PRO Act. These meetings have initially focused on Democrats and Independents who have not yet co-sponsored or despite their co-sponsorship we believe have serious issues with S. 420 as it is currently drafted. So far, we have met with the Offices of Senators Sinema (D-AZ), Kelly (D-AZ), and King (I-ME). CLDA Government Affairs staff have also met with the Offices of Senators Warner (D-VA) and Manchin (D-WV) on this issue, and we will continue lining up more Senate meetings on the topic in coming days.

CLDA staff have also done substantial work with a large coalition organized by the Owner-Operator Independent Drivers Association (OOIDA) on the issue of truck insurance minimums, which has also given us many good inroads into moderate Democrat House offices. We are working with this coalition to ensure that provisions which would raise the minimum required commercial vehicle insurance coverage amounts are not included in the next highway bill, by educating numerous Capitol Hill offices about the ripple effect this would have on our industry and many adjacent industries.

State Advocacy

During the week of April 26th, CLDA partnered with the Transportation Intermediaries Association (TIA) and the New York Messenger Courier Association (NYSMCA) to set up a virtual transportation and logistics advocacy program centered on New York state. This was the first such state event CLDA has ever held, and it was a great success. Advocates were able to meet with critical offices working on upcoming legislation that could impact our industry, including “gig economy” legislation that may impact the use of the independent contractor in New York state. Our partner organizations also experienced success as a result of this effort; TIA gained two cosponsors for a bill they support in New York state to lower the minimum age for acquiring a commercial driver’s license. We believe this event has helped to lay the groundwork for future collaboration on issues important to the whole transportation and logistics industry.

U.S. Department of Labor (DOL)

On January 7, 2021, the Wage and Hour Division’s final rule on Independent Contractor status under the FLSA was published in the Federal Register.

CLDA’s comment to the Department of Labor was quoted in the text of the final rule. However, our analysis indicates that the DOL has not incorporated the requests by CLDA and many others to significantly refine the particulars of the rule text as it was initially proposed.

Specifically, CLDA proposed the following:

- Make changes to the “Actual Practice” provisions of the rule, which could have penalized ICs who provided services to only one company at a time.
- Add a “presumption of IC status” if both new core factors pointed to IC status.
- Suggested to fully get rid of the integral part factor (as they suggested they had considered removing it entirely).
- Add language clarifying that an IC who signs consecutive contracts with a business is not considered an “employee” under the permanence factor.

The final rule as published did not help our industry. President-elect Joe Biden also froze the rule as one of his first acts in office. And on May 5th, the DOL announced that it was withdrawing the rule, for several reasons, including that the rule “was in tension with the FLSA’s text and purpose, as well as relevant judicial precedent.”

With this withdrawal, it seems that the DOL has returned to a status-quo antebellum situation. While we believe that the DOL is still working on a potential new IC classification rule that would be harmful for our industry, there has not been any official notice of proposed rulemaking about such a rule.

CLDA’s Government Affairs team will continue to monitor and respond to this situation as it develops in the coming year. If the Biden administration does reopen the matter, CLDA will stand ready to advocate for the best interests of our members with all the resources available to us.

Continuing Work with TSA and CBP

CLDA Government Affairs staff have also continued participation in Transportation Security Administration (TSA). These are calls designed to collect feedback on a new program being developed by TSA to help the proprietors of high-security packaging and fulfillment centers, as well as manufacturers and shippers of other sorts, to comply with ICAO outbound cargo screening requirements using a secure supply-chain model. July 1st is the impending deadline for an international requirement that 100% of outbound cargo be screened. We have held several calls and exchanged correspondence with TSA staff to gain clarity around how this requirement will be enforced, particularly on companies which charter small all-cargo flights.

Additionally, CLDA Government Affairs staff met with officials in the Customs and Border Patrol (CBP) agency to discuss questions proposed by CLDA members regarding differing customs clearance models. The discussion revolved around CBP’s plans to implement future alternatives to the Express Consignment Clearance Facility (ECCF) model in light of the high-volume of small package deliveries as a result of recent e-commerce growth. CLDA Government Affairs staff will be included in industry outreach efforts by CBP going forward and will work with the agency to schedule future meetings with CLDA members and CBP staff.

Government Affairs Committee (GAC) Strategy Session

On March 21st, the Government Affairs Committee held its annual strategy session. During the session, a review of the 2020 elections and the power shift was presented. Afterwards, there was a deep examination of risks and opportunities focused on the federal executive, federal legislative, state, and judicial levels of analysis. After much discussion, a GAC Strategic Plan for 2021 was formulated.

As seen in this article, your CLDA Government Affairs team is already busily implementing the approved plan for 2021. When it comes to the policy issues that matter most to the courier and logistics industry, we have admittedly transitioned into a more challenging time, but as discussed during the GAC strategy session there are still opportunities to advance our goals and be more proactive in some ways and not simply just defensive and reactive.

CLDA

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



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MAKING THE FAMILY BUSINESS LAST



By Andrea Obston
CLDA Director of Public Relations

What do Priority Dispatch, Jet Transportation and Global Messenger have in common with Gallo Family Vineyards, Samsung, and Wal-Mart Stores? All of them started as family business. And all of them have prospered through multiple generations.

Chuck Proudfit knows only too well the highs and lows of family businesses. In fact, he's worked with two of those companies – Priority Dispatch and Gallo Family Vineyards. These are clearly two very different companies in two very different industries, yet they share some striking similarities as family businesses.

Proudfit is the Founder and President of SKILLSOURCE®. He got first-hand experience working in a family business as a manager at what was then-called Ernest & Julio Gallo Winery. He's also worked in management for the Procter & Gamble Company and LensCrafters Corporation. Proudfit founded SKILLSOURCE in 1995. The company focuses on privately-held businesses, often family-run. The firm helps them to develop winning strategies, strong leaders and healthy cultures. "If those three things are working well, the businesses will grow," he says.

The Customized Logistics & Delivery Magazine recently interviewed Chuck to tap into his knowledge about the things that contribute to a long-lived family business. Here is what he told us:

CLDA Mag: Let's start by busting the biggest myth about family businesses.

Proudfit: The conventional wisdom is that the business needs to come first and the family comes second. While that may be the theory, I don't think it works on a practical level. I've never once seen that happen in a family business and I've worked with dozens.

CLDA Mag: Okay. So, what does work?

Proudfit: What works is that the family in the business is deciding how the family will show up in the businesses. Family members need to get together and say, "Yes, it's a family business, but we have nonfamily people working here. So, we need to establish ground rules about how we will show up and once we agree on them, we need to stick to them."

Some families create a Family Charter. That's an agreement that covers how family members will operate inside and outside the business. The family decides together what that charter will say. Then it's documented and all agree that the family will hold itself accountable to those standards. In that charter are the decisions about family-healthy boundaries and how they will apply.

I worked with one family that had a charter that said that family members had to have a job outside the company for three years before joining the family business. They reasoned that relatives should know what it's like to be an

employee and to understand what it felt like to work for someone who's not family.

CLDA Mag: What about behavior between family members in the workplace? Talk about that.

Proudfit: Regardless of whether there's a family charter or not, family members must behave towards each other in the workplace the way they would behave with non-family members. That includes the manner and depth of giving feedback. The problem with family is that they care more. They go to an extra level of detail that they probably wouldn't with a non-family member. For example, I heard about one company in which the father, the company founder, corrected his son's grammar in front of a group of employees. You wouldn't do that in public with a non-family member.

What happens is people get into a "family bubble." They forget that nonfamily members are within earshot. That sort of behavior telegraphs a sense of confusion. A non-family employee will say to themselves, "Am I going to be held to that standard?" That causes uncertainty and anxiety.

Look, all families are dysfunctional in varying degrees. There's no such thing as a fully functional family. The problem is that the family can bring those issues out into the workplace right in front of employees.

...all families are dysfunctional in varying degrees. There's no such thing as a fully functional family.

Members of the family need to develop ways of communicating and collaboration that are the same as they would use with non-family members. That's hard to remember. The way you communicate with relatives is based on your long and deep history together. But that doesn't help in the workplace. They need to find ways to reshape those communication habits. It's important.

CLDA Mag: Is there one sure-fire way to break those habits?

Proudfit: If I had to boil it down to one thing, I'd say that the easiest way to handle this is to make sure family members do not report to each other. The family must be very intentional about working with and reporting to non-family members. Unless they are very intentional about it the family will put itself in its own silo in the business. Members end up reporting to each other and nonfamily members are separated out.

I worked for one family business. It was in its fifth generation in business together. The business was over 100 years old. All their offices were on the same floor. It produced a counterproductive culture. It kept the family apart from the rest of the company.

CLDA Mag: But, on the other hand, you also told me you suggest your clients share the family with the non-family members of the business. Talk about that.

Proudfit: Yes. I do. I advise that they include outsiders in personal family moments to build cohesiveness with the family. I propose that they include nonfamily members in family celebrations, so they are part of what the family stands for. After all, that shared sense of humanity is why many people like working in a family business.

I had one client that would include non-family members in their birthday and anniversaries celebrations. It created a sense of being part of an extended family. A practice like this also encourages non-family members to talk about their own families, which brings a sense of warmth to the company.

I once worked with a family business that handled things in the opposite way. No family dynamics were allowed. They went so far down that path that they came across to the rest of the company as aloof and not transparent. That's not healthy either.

CLDA Mag: Since you founded the business in 1995, you've been called in by dozens of family businesses. Why do they need you? Why can't they just work things out amongst themselves?

Proudfit: If you're part of a family business, it's helpful to have some backroom advisors who are not family. Consultants like me can speak objectively in the most difficult conditions. When things get bad in a family business, its

members tend to circle the wagons. That fosters group think. At times like that, they need a thoughtful, objective outside voice or voices.

If a crisis hits too close to home, the family isn't well-suited by themselves to tackle it. It's helpful to have outside advisors who can facilitate a meeting when the family has some hard choices to make. The family would be there, of course, but it's the outside consultant who would convene the meeting. I have seen cases where the family isn't well suited or well-equipped to be able to be that voice in the moment. They need someone outside the family to be objective and that person can't be beholden to any one family member.

The best time to bring in an outside voice is before a crisis hits. That way, in stressful times, there's already someone they can turn to in whom they already have confidence. I've found that when I'm brought in during a crisis that I can be perceived as being beholden to the family member who brought me in. It feels like I'm "on their side."

CLDA Mag: Let's wrap this up with one Golden Rule for every family business to follow that will help them last through multiple generations.

Proudfit: Don't let your family get in the way of a healthy business! **CLDA**



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SUCCESSION PLANNING THAT LEADS TO SUCCESS

By Andrea Obston
CLDA Director of Public Relations

Barbara Feinberg knows first-hand about the challenges of succession planning in a family business. She was raised part-way in a family business; one started by her father and uncle and watched the successful business evolution in a company started by her sister and brother-in-law. So, it was no surprise that during her studies to become a psychotherapist, she did a research project that looked into the dynamics of family businesses and how they deal with conflict.

Today, Barbara G. Feinberg, LISW-S, IMFT-S is an executive coach and psychotherapist with a growing consulting practice specializing in family businesses. "My approach is to try to help untangle the family dynamics from the business," she says. "What we often find is that what's happening in the business is often mirrored in the family and the history of those relationships."

Handing off the management of the business from one generation to the next is often complicated by those same family dynamics. That's why the issue of succession planning is such a tough one for many family businesses. "Succession planning is a touchy business because the relationship tensions in the family carry over into business planning," she says. "It's hard to unravel those issues. The history of those relationships gets played out in patterns that have been established over years. They are part of the family's DNA. Often those in the family don't even notice them. These patterns may not be comfortable, but they are familiar, and members of the family know how to follow the pattern. They often don't serve the business very well and they make a hand-off to the next generation very difficult."

Because the patterns are both familiar and almost automatic, members of the family often don't notice when they slip into them. "The real issue is that we're so accustomed with the ways we interact. We are good at pushing each other's hot buttons, often without intending or wanting to. When that happens it's highly problematic," she says. "These old patterns often block progress. Change just doesn't go over well, especially when it involves the transition to a new generation."

Rooted In Family Dynamics

The way a family deals with change, especially a change in leadership, is grounded in the family dynamics. "How power is distributed, and the roles people have played are not easily modified," she says. "How kids are treated once they are adults is symptomatic of this. The parent and grandparents often are not successful in shifting gears and seeing their kids as adults. They may be uncomfortable with new ideas, even when the next generation brings perspectives and skills into the business that may be good for it. That's unsettling to all. For example, chances are the next generation is more adept at making the most of technology than their parents and grandparents. That's a plus for the business, but one the older generations struggle to understand and are less likely to accept."

On the other hand, when relationships have been respectful throughout a person's growing up, this may not be an issue. "What I've seen over and over again is that if the history of those relationships between the owners/founder and their offspring has been healthy all along, then, for the most part, the transition is pretty healthy as well. They are more likely to have agreement about the direction of the business. If those relationships have been unhealthy, there's a lot more struggle. We know that family dynamics can be central to business continuity, for better or for worse."

The statistics bear out Feinberg's experience. About 40% of U.S. family-owned businesses survive into the second generation. Approximately 13% are passed down successfully to a third generation, and 3% to a fourth or beyond, according to a 2010 study by BusinessWeek.com

When the Founder is Resistant to Succession Planning

Any business that wants to outlive its founder must build a succession plan. This means having the right leaders in place today for the sake of the business' tomorrow. Companies that fail to create a systematic succession plan can stall or even fail after a key player leaves the company or passes away. But founders often resist those plans.

In a family business, this scenario is quite common. "If a parent is resistant to creating a success plan, this activates the frustration that's built up over the years. The founder may say the children should run it, but take no action to make that happen," she says. "There can be a sense of hopelessness and helplessness on the part of those in the next generation. That is not good for the business, or the family. The founder needs to stop thinking of their offspring as children and do what's appropriate for the business' transition. Yes, you may have changed that person's diaper, but for the sake of the business and the family relationship, you need to treat the next generation as business colleagues."

...THE RELATIONSHIP BETWEEN

**A BUSINESS FOUNDERS AND
THE COMPANIES THEY BEGAN
IS AN EMOTIONAL ONE. IT'S
NOT JUST A BUSINESS TO THEM.
IT'S LIKE THEIR CHILD.**

She points out that the relationship between a business founder and the companies they began is an emotional one. It's not just a business to them. It's like their child. "For the founder, the business is their legacy. That's emotional, so trusting someone else - even their own family member - to carry that legacy forward is very tough," Feinberg says. "There is a sense of loss when founders hand off the business, and they are already grieving that loss when they start planning it. So often, the founder's identity is largely as a business owner. Stepping away from it requires a whole new way of seeing themselves and being in a world in which they have less status and power."

Feinberg also notes that few people plan for the emotional impact of retirement. "I'm not talking about financial planning. The emphasis in retirement planning most often is on the transactions," she points out. "I'm talking about asking themselves, 'What am I going to do with my time? Who am I without the business?' 'How do I relate to myself or other people when I'm not running a business?'"

Businesspeople, in general, are more comfortable solving concrete problems - not dealing with emotions. And that kind of self-reflection is particularly difficult when it's about a business you've founded. When you layer on the idea that you are passing it to someone you taught to ride a bike or solve an algebra problem, someone you've expected to follow your advice, it's even more difficult."

Taking the First Step

Based on her experience, Feinberg says succession planning should begin with bringing in outside voices who have experience in this area. "Find a family business

coach to work through the emotional aspects of 'passing the torch,'" she advises. "With these kinds of difficult conversations, especially those you are reluctant to have, bringing in an objective party may be the way to handle it. This objective party can say things like, 'Can you talk about what impact that has on you in a

personal sense?' Decisions can be processed in a different and more personal way."

She often starts these engagements with a deep dive into the family and what it believes to be important. "It's critical to start by understanding the underlying values in the family," she says. "We usually think about value by asking 'how much is this thing worth?' But I mean underlying family values; fundamental principles that guide our decisions in life, not just in the business. Sometimes these values are shared. And sometimes they are not."

She's had experiences where the founder and members of the next generation have completely different visions of the family. "It's all about the value the founder and successor put on the business, and on family relationships," she counsels. "But family values aren't measurable. These values are all about the direction that you want family to go over time. Understanding that is like having a family mission statement. If where you want your life, your family and your business to be going can be articulated in a conversation between the founder and successor, you can have a road map to guide decision making."

A family value might be "Our family is one that is supportive and respectful of all of its members." If the founder and the successor can agree with that as a family value, it will guide the business as well. If they say, 'I want the business to be one that honors its em-

employees and deals with all of the players with integrity and respectfully,' that's how to translate that family value into a business value.

"I'll ask the founder what direction they think the family is going," Feinberg says. "And then I'll ask the same question of the successor. If those things are within some kind of agreement, then they have a common vision of succession. If not, reframing those responses can highlight shared values. Articulating those values sets the tone for the succession process and is the first step in building a successful succession plan."

Succession Planning Gets Going

Feinberg kicks off the succession planning process for every family business with these requests:

- *Tell me something about your family, particularly how you resolve differences of opinions.*
- *What repercussions do you foresee this process will have on the family?*
- *What impact do you want this transition to have on you?*

"The answers to these questions help me understand where they are at that moment and where they want to be in the future. They help uncover the interpersonal issues that need to be resolved as they move forward with the transition," she says.

In dealing with founders, Feinberg helps them identify what needs to be done for their successor to be a success. "I'll help them identify the first steps they need to take to get their son or daughter to function well in the business," she says. "Do they need to get experience somewhere else? Do they need to start in the stock room?"

“IT IS OFTEN SAID THAT FAMILY FIRMS NEED TO TAKE THE LONG VIEW OF THEIR BUSINESSES, THEIR INDUSTRIES AND THEIR RELATIONSHIPS.”

She advises asking these questions:

- *Does your son or daughter even want to run the business?*
- *What does your son or daughter need to be successful in this new role?*
- *What resources can you bring to bear to make that happen?*
- *How do you envision your role in the business after the transition? Feinberg asks this of both the founder and their successor.*
- *What are you envisioning about a developmental plan? Feinberg points out that there's trouble ahead if the founder doesn't have the same vision about what the process is going to look like from the intended successor.*

The process often looks like this:

STEP #1 – Find a family business relationship consultant; someone who has experience in this area. That resource will look at the emotional aspect of the relationships between family members in the business and in the family. An outsider is better equipped to dispassionately look at the relationship. "People often start the process by bringing in the 'numbers people' - the lawyers and CPAs. This should not be the first step because these professionals might see the relationship in their specific technical ways. Of course, they have important roles to play, but that comes after the family starts tackling the emotional aspects of the transition," Feinberg points out.

STEP #2 – Bring in the other advisors. Once Step #1 is kicked off, it's time to bring in the analytic perspective. The lawyers and accountants will define the issues as they see them. Ideally, the consultant and the other advisors work as a team.

STEP #3 – Bring the perspectives together and look for common ground. “If each of these advisors has done their job, you have a plan for moving forward. Of course, you can come with sophisticated techniques and structure, but if one person has already decided what should happen before the analysis, the process is much more likely to be problematic,” says Feinberg. “Unfortunately, I’ve seen it all too often. It’s frustrating and sad to watch. Advisors do their jobs; they create a plan based on each of their perspectives and then, when they are all done, the founder throws it all aside and says their solution is what’s going to happen. If the son or daughter doesn’t agree, you’re back to square #1. And the family suffers.”

When Succession Planning Works the Legacy Continues

A smooth transition from one generation to the next can be the best way to honor and preserve a founder’s

legacy. It allows a successful business to stay relevant and contemporary with the infusion of the talent and skills of the next generation.

Second and even third generation businesses bring the founder’s vision to a whole new level. It is often said that family firms need to take the long view of their businesses, their industries and their relationships. By building on the experience and drive of the next generation, these businesses focus on constant improvement and innovation. They attract and retain a loyal base of talent that values their family-centric culture.

The transitions can be challenging and complicated because of the emotional investment that members of the family, especially the founder, have in the business. Building a thoughtful succession plan and preparing the next generation for leadership, sets the stage for the success of a family business for many years to come. **CLDA**



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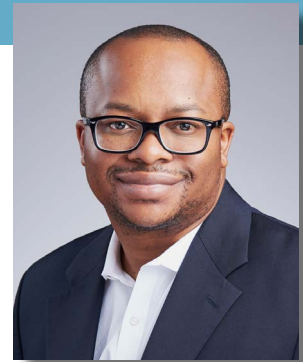
From One Generation to Another

*By Andrea Obston
CLDA Director of Public Relations*

One of the most challenging times in the life of a family business is during the transition from one generation to the next. The transition can be so challenging that statistics show only one in three family businesses survive into the second generation.

Three CLDA member companies have not only survived a generational transition, but they have also thrived. CLDA Magazine asked the top executives at these companies to share their experiences and offer advice to other logistics companies on the challenges and the joys of keeping a company alive and well into the second and third generations.

Advice from those who've been there



They are:

- Kelly Picard, CEO of Hackbarth Delivery Service in Mobile, AL
- Ryan Schwalbach, CEO of Now Courier in Indianapolis, IN
- Kenya Guess, President & CEO and her brother David HARDY, COO of Bonnie Speed Logistics in Cleveland, OH.

CLDA Mag: Let's set the stage by having each of you tell us about your companies.

PICARD: Hackbarth Delivery Services improves consumers' lives through our last-mile logistics services. We warehouse and deliver products on behalf of our shippers to their customers across 11 states.

SCHWALBACH: NOW Courier is a same-day, final-mile courier company with a focus on specialized medical devices, medical deliveries, small parcel distribution and e-commerce.

GUESS AND HARDY: Bonnie Speed logistics is a full-service 24/7 logistics company that offers services through cars, vans, sprinters, box trucks and tractors. Our focus is bringing solutions to our customers through EDGE. Every Day Great Execution.

CLDA Mag: Each of you is the second generation of your family involved in your company. Tell us about that.

PICARD: My parents, Rob and Carol Hackbarth, started the company on November 1, 1975 with \$500 borrowed from a relative and one pickup truck. The sales for November 1975 were \$7.50. Sales for 2020 were approximately \$80 million. The company has grown organically over the years and now has 42 locations providing service across 11 states.

SCHWALBACH: My father, Mike Schwalbach started NOW Courier in 1986 with Joe Eckart and Jim Meyers, who later left the company. My mother, Sandy, joined the business in the mid-2000s. The business got its footing in healthcare, banking, payrolls, and legal document deliveries. We have evolved into seven locations throughout Indiana, Ohio, and Kentucky, with 70 employees and 400 independent contract drivers. We still hold true to our courier roots and perform the traditional courier work, but we now have a focus on healthcare logistics and e-commerce.

HARDY: In 1990 the business was acquired from founder Mr. M.C. Younge. In 1959 (62 years ago) after returning from military service Mr. Younge drove a cab. At that time, they delivered both people and packages. Mr. Younge quickly determined it was a lot easier to deliver packages than people and thus Bonnie Speed was born.

GUESS: Mr. Younge originally named the company Bunny Speed. The logo was of a rabbit racing along with a package tucked under his arm. When the logo went to print, the Scottish printer interpreted it as Bonnie Speed. From that day, our name was born. In 1990, my father, Kenneth Hardy, acquired the business. I joined the company in 2014 and my brother joined in 2013.

CLDA Mag: How did each of you get involved in the company?

PICARD: I joined the company officially in 1994. I started out making deliveries. Then, after college, I worked in dispatching and eventually moved into managing a terminal. From there, I started our sales department and did that for a number of years until moving back into overseeing all operations. I became CEO in 2013 and since that time we have averaged 15% annual growth.

SCHWALBACH: I started at the company while I was in high school, working in the warehouse. I went off to college and worked for another business for a few years (as required by my father). After returning in 2004, I started off as the early morning operations account manager. That's where I truly learned the business. I moved on to become the special projects manager, where I did a little of everything for the company. I then moved over to vice president of sales for several years, before becoming president and then CEO. I purchased the company from my parents in 2016.

GUESS: In high school I worked in the business as a customer service rep and accounting clerk. After several years in Corporate America my father approached me about succession planning. A year prior to my return we had quarterly succession meetings which included my brother and I coming to Cleveland and meeting with staff and leadership. We wanted to be very intentional about our approach. I officially entered into the business in February of 2014. My entry role was as General Manager / CIT (CEO in Training). My responsibilities included customer service and operational oversight. Upon my arrival, I saw a real need for cultural changes, process documentation and synergy. That took up most of my time within my first year. I was promoted to President in 2017 and CEO in July of 2019.

HARDY: I moved back to Ohio in 2013 to join Bonnie Speed as the Driver Manager. I had worked for our family's company as a kid doing some driving and "sweeping", but this was my first time working at the management level.

CLDA Mag: What was the transition from one generation to another like?

SCHWALBACH: I was very fortunate in that I'm an only child, with two parents who were eager for me to take over the business. They made sure I was exposed to everything at the company before selling the business to me in 2016. It was a very smooth transition for the most part.

GUESS: We did a 2013 integration and succession/success plan focus prior to my joining the business. During that time, I traveled quarterly from my home in Atlanta to Cleveland to meet with the current staff, spend operational time in the business and participate in succession planning sessions, which included information sharing and projects.

CLDA Mag: From your experience, what can make this transition go as smoothly as possible?

PICARD: The support of the executive team and owners is critical. In addition, setting clear expectations among members of the executive team and the owners is key to a smooth transition. Ideally having a training period during the transition of six months to a year can make this work better.

SCHWALBACH: Yes, communication and setting clear expectations on both sides is critical. In my case, that was between my parents and me.

GUESS: I agree. Everyone needs to have clear expectations and it's critical that you incorporate succession development as part of succession planning.

HARDY: I would add that having as much transparency as possible about the company's history is paramount to the transition! The people coming in need to have a factual and deep understanding of what they're walking into so they can understand how to navigate the transition and, more importantly, the employees they are inheriting.

CLDA Mag: What can sidetrack the process?

PICARD: One of the main challenges can be other family members' involvement in the company. It's often the case that there are multiple members of the family who work in the business and that can complicate things. Another thing that can interfere with the process is not having a clear vision and direction with measurable goals and objectives. Of course, if the previous CEO has a hard time letting go of decision making, that can sidetrack the process. Fortunately, that was not an issue at our company, but I've spoken to other second-generation owners and that has been a challenge for them. Lastly, you need to have the right team in the key roles of sales, operations, finance, HR and IT. If you have to build the team during the generational transition, it will take longer to achieve the results.

SCHWALBACH: I would add three other complicating factors: Lack of communication, ambiguity and shortage of confidence.

GUESS: Don't forget emotions, family dynamics and cultural issues with current staff.

HARDY: Family dynamics can definitely side-track the process along with any company politics that currently exist within the organization. It's important that while there's a "transition" taking place, everyone needs to still treat it like a "clean slate" for the company as a whole.

CLDA Mag: What can stand in the way of a successful transition from one generation to the next?

PICARD: I've already mentioned the big one: previous owners who won't let go. I know that has been a problem in other companies. I've heard of situations where that issue resulted in multiple owners giving direction to the executive leadership team. As you would expect, it prevented those companies from moving forward. Again, having a clear direction and focus along with quantifiable goals is imperative. Lastly, not having the right people on the executive team will prevent success.

SCHWALBACH: Yes, if the founding generation is unwilling to let go that will throw a monkey wrench into the process. On the other side, I've heard of situations where the next generation is not ready to take over or doesn't want to take over. None of these applied to my company's situation, but I've talked to others who've experienced these issues.

GUESS: There will be differences of style from one generation to the next and that can sometimes bottleneck the process

CLDA Mag: What are the dos and don'ts you would offer to first generation leaders about making a generational transition go well?

PICARD:

1. Do train and develop the person who is taking over. Start this process early, even if you don't plan to retire for a few years. It is better to be prepared for the unexpected and have someone ready to replace you. There should be a continuous development plan for all senior leaders and all employees in your company.
2. Do hire the right people for the executive team. Then develop them.
3. Do set measurable goals and objectives. Hold people accountable to the results. For the leader taking over, I'd offer another: do be slow to hire and quick to fire.
4. Do get out of the way.

SCHWALBACH:

Do:

1. Communicate
2. Have clear objectives
3. Foster collaboration between the two generations.

Don't:

1. Force the situation
2. Allow ambiguity in the leadership team
3. Have unclear financial situations.

GUESS:

Do:

1. Be realistic and communicate
2. Understand approach matters
3. Embrace conflict.

Don't:

1. Assume
2. Let emotions drive your interaction. Stick to the facts
3. Allow personal family issues to interfere with managing the business.

HARDY:

Do:

1. Give each other the benefit of the doubt at all times. Transition isn't easy, but you'll make it worse by not being open-minded, flexible and empathetic.
2. Make sure your communication is constant, effective, and most of all, confidential.

Don't:

1. Forget that this is BUSINESS first. Even though you're a family, you have to leave the family dynamics out of the day-to-day business as much as possible! You don't want staff feeling any nepotism within the organization.
2. Allow any in-fighting amongst family members during the transition. That's easier said than done, but employees sense a divide like sharks that smell blood in the water. You have to always appear united to your staff even if you might be having family issues behind the scenes.

CLDA Mag: What advice would you give leaders about making the transition from one generation to the next?

PICARD: Develop yourself and develop your team. Train people for success. Set high goals. Don't interfere in the progress. Be available for advice and coaching.

SCHWALBACH: Make sure you and your next generation have a crystal-clear understanding of the financial health of the organization. Having a clear picture of what a healthy courier company looks like is key.

GUESS: Respect the differences. Understand that you will not always see eye to eye, but remember you are working toward the same goals and objectives on behalf of the company

HARDY: Be prepared for a bumpy three-year period out of the gate. Everyone has to get to know each other on a business AND personal level when these transitions happen. You can fool yourself into thinking it'll be easy because you grew up with this person. Mostly likely that person you grew up with is not someone who you ever worked with or for. Also, you and that person might not have interacted with each other in years. Chances are

that the person you grew up with really doesn't exist anymore. You've changed and so have they!

CLDA Mag: What else should we include in an article about generational leadership transitions?

SCHWALBACH: If you are a member of the generation that is handing over the company to the next generation, trust them. Trust them to make the right decisions. Trust that they are bringing on the best people to replace the previous employees, and trust that they know what is best for the business. If you have chosen the right successors, they only want the company to succeed, just like you did for so many years. Trust that the new leaders would never do anything to harm the company. They only want it to succeed like you did for so many years before.

GUESS: I would also stress the importance of measurements along the way and understanding that succession is continuous

HARDY: The statistics show there's more chance for a failed transition than a successful one, so be prepared to work hard on moving from one generation to the next.

CLDA



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By Andrea Obston
CLDA Director of Public Relations

MAKING THE MOST OF MULTIPLE GENERATIONS

Successful family businesses combine the talent, skills and attitudes of different generations. But each generation approaches work in their own way. And when those attitudes don't mesh with how other family members see the work, conflict can erupt.

Bea Bourne, DM is an expert in generational differences and generational response to organizational change. She is a faculty member of the School of Business and Information Technology at Purdue University Global. Her research paints a picture of the ways that multiple generations in a family business can work together and stay together.

The information can help those in family businesses develop multigenerational strategies for bringing family members into the business, managing them, retaining them and making them a part of a succession plan.

FIVE GENERATIONS = FIVE WAYS OF LOOKING AT WORK

Chances are that today's family businesses include one or more members of each of these generations:

TRADITIONALISTS
BORN
1925 TO 1945

BABY BOOMERS
BORN
1946 TO 1964

GENERATION X
BORN
1965 TO 1980

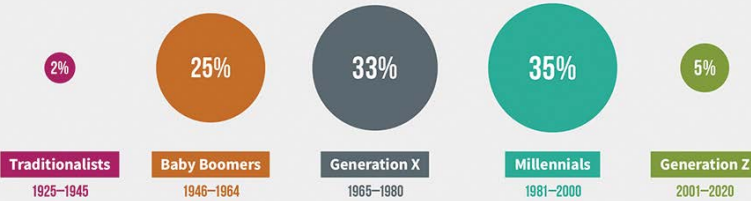
MILLENNIALS
BORN
1981 TO 2000

GENERATION Z
BORN
2001 TO 2020

GENERATIONAL DIFFERENCES IN THE WORKPLACE

One size doesn't fit all when it comes to today's workforce—five generations of workers means five approaches to work.¹ Learn how to adjust to a multigenerational workforce.

Current U.S. workforce numbers²:



TRADITIONALISTS BORN: 1925–1945

DEPENDABLE | STRAIGHTFORWARD | TACTFUL | LOYAL

Shaped by: The Great Depression, World War II, radio and movies

Motivated by: Respect, recognition, providing long-term value to the company

Communication style: Personal touch, handwritten notes instead of email

Worldview: Obedience over individualism; age equals seniority; advancing through the hierarchy

Employers should:

Provide satisfying work and opportunities to contribute; emphasize stability



GENERATION X BORN: 1965–1980

FLEXIBLE | INFORMAL | SKEPTICAL | INDEPENDENT

Shaped by: The AIDS epidemic, the fall of the Berlin Wall, the dot-com boom

Motivated by: Diversity, work-life balance, their personal-professional interests rather than the company's interests

Communication style: Whatever is most efficient, including phone calls and face to face

Worldview: Favoring diversity; quick to move on if their employer fails to meet their needs; resistant to change at work if it affects their personal lives

Employers should:

Give them immediate feedback; provide flexible work arrangements and work-life balance; extend opportunities for personal development



BY 2028
Gen Xers will outnumber Baby Boomers⁴



MILLENNIALS BORN: 1981–2000

COMPETITIVE | CIVIC- AND OPEN-MINDED | ACHIEVEMENT-ORIENTED

Shaped by: Columbine, 9/11, the internet

Motivated by: Responsibility, the quality of their manager, unique work experiences

Communication style: IMs, texts, and email

Worldview: Seeking challenge, growth, and development; a fun work life and work-life balance; likely to leave an organization if they don't like change

Employers should:

Get to know them personally; manage by results; be flexible on their schedule and work assignments; provide immediate feedback

GENERATION Z BORN: 2001–2020

GLOBAL | ENTREPRENEURIAL | PROGRESSIVE | LESS FOCUSED

Shaped by: Life after 9/11, the Great Recession, access to technology from a young age

Motivated by: Diversity, personalization, individuality, creativity

Communication style: IMs, texts, social media

Worldview: Self-identify as digital device addicts; value independence and individuality; prefer to work with Millennial managers, innovative coworkers, and new technologies

Employers should:

Offer opportunities to work on multiple projects at the same time; provide work-life balance; allow them to be self-directed and independent



BRINGING THE BEST OF EACH GENERATION

Strong family businesses make the best of each generation that joins the company. Those that make the most of what each generation has to offer prosper and grow. They leverage their shared common values and strong commitment to the business. Their shared history and family bonds mean they can more easily withstand the hard times and make the most of challenges to the business. Because family businesses are created with an eye towards building a business for the next generation, long-term thinking is part of their DNA. By making the most of these generational differences they have the advantage as they become better and stronger with the addition of each new generation. [CLDA](#)



Dr. Bea Bourne lives in Dallas, TX and teaches graduate-level marketing courses. She has served as a business consultant, been published in peer-reviewed journals, and has presented at professional and academic conferences

Three Generations of MEMBERS SPEAK

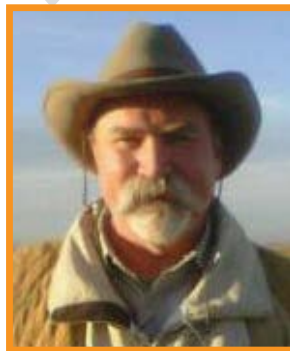
By Andrea Obston
CLDA Director of Public Relations

What is unique about working in a family business? We asked members of the CLDA to respond to this question and received wisdom from three generations.

BILL ROBERSON from Chase Couriers & Logistics in Dallas, Texas is the CEO and founder of the company. Both his wife and son work in the business.

DAVID WARD from Elite EXTRA in Eau Claire WI is a Sales Executive in the company his father founded.

JACOB THOMAS from Priority Dispatch, Inc, in Cincinnati OH is the Director of Independent Contractor Relations and the grandson of the company's founder.



Working directly with family can be extremely rewarding as a ton of time is spent at work with those you care about most.

Here's what they told us:

CLDA Mag: What is unique about being part of the family business?

ROBERSON: Chase Couriers was born in 1992 to support our family. Nearly 30 years later, our family has grown to support Chase. The circle is now complete.

In our business, we naturally have a family attitude, so our team members are part of our extended family and as such our circle grows through trust and commitment to one another.

WARD: As the son of the founder/president of Elite EXTRA, there are a lot of unique aspects of working for the family business. First, there is a natural drive to be the best that I can be in whatever role I am in. This is especially true when your father and the founder of the company is revered for his hard work and perseverance for 20+ years. This tends to be a net positive as it drives me every day to do my best work. I believe that there is a higher expectation for the children of the owner to excel in whatever role they are in, and that can be used as a powerful motivator in my experience.

Most aspects of working in a family business are positive in my experience. Working directly with family can be extremely rewarding as a ton of time is spent at work with those you care about most. Additionally, dinner conversations are often filled with potential strategies, challenges, successes, and other “work” discussion that can be extremely useful when operating a company. Lastly, the family culture does spread throughout the company creating a team culture with a lot of fun included.

There are, of course, some challenges in working in a family business as well. First, it is often more challenging to get close to fellow employees personally. Oftentimes, when an employee first joins the business, they feel as though family members of the owners need to be overly respected and not criticized even if needed. This is one of the first barriers that I work to break with any new employee and that should be no different for the owner's kids. Additionally, personal relationships can be harder to develop because

new employees may think they need to watch what they say. However, this can be broken down over time as well.

All in all, working in a family business is a challenging but extremely rewarding experience. Time spent with family is one of the most important aspects of most peoples' lives and if you can spend time with family while making money, there's no better way to make a living.

THOMAS: My grandfather started Priority almost 50 years ago, and both my father and aunt have worked in the business for many years. I have a unique appreciation for all the hard work and dedication that they have put into this organization and all of the incredible people that have worked here along the way. Because of this, I believe that I have additional motivation to help this company succeed and carry on our family legacy in the workplace.

Additionally, working in a business with family members allows us all to get to know each other in different and meaningful ways. Problem solving and sharing common professional goals brings us closer together (most of the time) and gives us perspective into who we are individually. I thoroughly enjoy the opportunity to work together with my father and aunt on a daily basis. Working with them has given me insight into who they are outside their family roles, and likely they have been able to do the same with me.

CLDA Mag: What else would you like us to know about the pluses and minuses of working in a family business?

ROBERSON: At Chase, we truly enjoy the family atmosphere that ignites everyone, including team members, to pull together in the same direction of success through a simple dedication to integrity and excellence. With these family values in mind, we are able to say, “May our tribe increase.”

THOMAS: The family feel and culture of our organization is a big plus! Our core values of service, respect, integrity, improvement, and giving back are fundamental in what we do and how we treat others! **CLDA**

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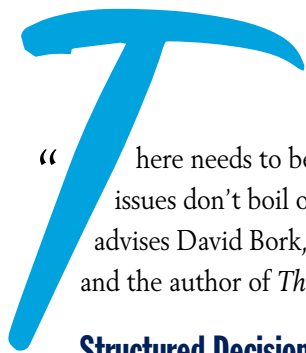
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Handling Conflict in a Family Business

By Andrea Obston
CLDA Director of Public Relations

CONFLICT. It happens in every business, but when it happens in a family business it can be especially damaging. Old habits of communication; unclear areas of responsibility and family history make getting to consensus particularly challenging when members of a family work together.



“Here needs to be strategies in place so day-to-day issues don’t boil over and become family dramas,” advises David Bork, president of Family Business Matters and the author of *The Little Red Book of Family Business*.

Structured Decision Making

Conflicts often come to the surface when businesses are at a cross-roads and management is faced with the need to make difficult choices. Here’s where intra-family power struggles can rear their ugly heads. Family members feel the need to present and defend their ideas. It becomes personal, which inevitably leads to conflict.

Instead of letting things get to this point, Bork advises his clients to create procedures for making decisions. “A structured approach to decision-making allows families to reframe how they approach opportunities in the business. It involves establishing criteria for weighing the alternatives. That way those decisions are made to meet the criteria rather than to support one person’s opinion,” he says.

This is particularly important in a family business environment because of a shared family history. “Families have well-established patterns of discussion, often started in childhood,” says Bork. “It could be that the loudest voice or the oldest one is the person who speaks first and sets the agenda. By the way, there is no correlation between wisdom and birth order. That pattern starts early in life, but it’s not helpful in business. To break it, first you need to identify the criteria you’ll use to evaluate a decision. Put all the ideas on the table before you start evaluating them. If you have already-established criteria when all the alternatives are presented, you have a way to judge them against each other. Often, some ideas are eliminated once you measure them against the established criteria, making it easier to choose. Many family patterns of discussion get to solutions without this process. When that happens, the conversation can go like this: ‘You must do it my way or it’s the highway’ or ‘We’ve been doing it that way for 25 years. Let’s just stick to what’s been working all along.’”

Here’s how this might play out: There is a second-generation business in which one of the founder’s sons is the president. The founder’s other two offspring, another brother and a sister have management positions that report to their brother. The president says, “I think we should open a new terminal in Houston.” But the sister doesn’t think it’s a good idea and the other brother is neutral on the matter. Instead of making it a battle of “my idea versus yours” the meeting starts off with the group establishing criteria. They ask themselves, ‘What is the optimal profile for a new office?’ At first, the discussion is not about Houston, but about establishing criteria for making that decision. “That’s the foundation,” says Bork. “Once they have established that, then they can look at Houston to see if it meets those criteria. What they have done impersonalizes the decision. They have removed the idea of ownership of the idea and, instead, are measuring it against criteria for success that the group has already established.”

This process is especially important in family businesses where everything can become personal, and ideas become “mine” or “yours.” “An idea doesn’t care who has it. It has no opinion of the bearer,” he says. “Many times, especially in family businesses, people get so overly invested in their positions that they can’t let go of those investments. They feel they have to defend their ideas. They think, ‘When you attack my idea, you’re attacking me. That makes me feel that I have to strike back.’ Instead, I suggest that everyone in the business cultivate an ability to look at an issue in a detached manner.”

Are We Clean?

Bork worked with one family that worked out a way to disagree without judgement and to settle disagreements with one phrase: “Are we clean?”

The idea was based on the way Quakers handle disputes. “The family would talk through their conflict and when they’d arrived at a decision, someone would say, ‘Are we clean?’ That meant ‘Are we good with what

we've arrived at?' If someone wanted to continue talking about the matter, he might say 'I'm not clean with this.' Then they could focus their communication on how they might get 'clean' with him. There were no judgments. The group would just keep talking until they were clean."

Bork points out that conflicts are inevitable in any business: "They will exist and the only way to deal with them is to talk about them until you are clean. As you go through life you will have differences, so accept that you'll have them and find a way to resolve them. Family members, especially, need to say to themselves, 'we're in this together. We're here to make a profit and make a viable business, so let's not get confused about purpose.'"

He stressed that this is not conflict resolution. "Conflict resolution comes after you have the conflict," he says. "What we're talking about here is establishing a climate where differences are normal and predictable, and you handle them in a noncombative manner."

The Reptilian Brain and The Brothers

For two of Bork's clients who were brothers, understanding their own brains helped them productively deal with differences of opinions.

"I explained to them that every one of us essentially had two brains," he says. "There's the Reptilian Brain and the Pre-frontal Cortex. The Reptilian Brain is where the fight or flight response is generated. It's there to protect us. If we are heavily invested in an idea, the fight-or-flight response can be activated. It's an automatic response and when it happens everything else shuts down. Contrast that with the rational brain, the Pre-frontal Cortex. That is the site of reasoning; of fact-based decision making."

Bork taught the brothers how to recognize when their decision-making discussions were not coming from their Pre-Frontal Cortexes. "When they were involved in conflict, one of the brothers would stop and say, 'We're in our Reptilian Brains!' It was a humorous way for them to recognize that they weren't arguing about substance. Once they recognized this, they would find ways to get

back to their rational brains to make a more reasoned decision. The key was that someone had to call that out to get them back on track. As you go through life no matter how much you know, you are at risk for your Reptilian Brain to take control. You need to acknowledge when that happens. It's the first step towards logical decision making."

Heading off Conflict By Defining Areas of Responsibility

Many family businesses grow organically over time. When a family firm is launched, it's not uncommon for relatives to jump in wherever they are needed. In the early, hectic days of a business, this all-hands-on-deck approach is how things get done. But as the business grows this approach leads to chaos.

To avoid this, Bork advises that each family members have defined areas of responsibility. Carefully outlining job responsibilities will minimize conflict, as long as everyone in the family buys in and management holds each family member accountable.

"You need to establish and stick to clear boundaries," Bork says. "Conflict is often generated when one person gets criticized for not doing their share. But, if no one told them what their 'share' is they'll be confused and defensive when that charge is leveled against them. You need to establish proper boundaries for getting the job done. When there is ambiguity or a lack of clarity about those responsibilities you get a conversation that goes something like this: 'I thought you were going to do that!' To which the other person responds, 'That's not my job.' And we all know what path that leads us down!" Clearly defined responsibilities can head this off before it escalates into a personal dispute.

Resolving Business Issues at the Business

Because family members live with or near each other, there is a tendency to blur the boundaries between business and home life. To combat that, Bork advises that all business issues be resolved at the business and not taken

home. "Allowing business issues to spill into home life undermines the fundamentals of a family's connection, which are the love and the responsibility they have for other family members," he says.

Here's how that might play out: Three sisters work together in a courier company started by their parents. One sister, Joanne, is the CEO. Her sister Sarah is not happy with a decision Joanne made that morning at work. Sarah goes home to her husband, Steve, to complain about this. He goes to his brother-in-law, Joanne's husband Frank to take Sarah's side in the dispute. The next thing you know, there's full-blown family warfare at the Sunday dinner table.

"The successful businesses I've seen have a way of saying, 'We're not going to have people who are not at the business influencing what happens in the business. We're not going to call other family member into that arena,'" says Bork. "The responsibility for the climate in the business is with the people who work there, and it needs to stay there."

Remember Why You're in a Family Business

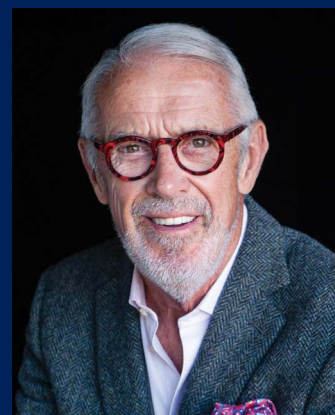
In the end, Bork urges members of a family in business together to remember why they made that choice. Families that work together have a strong commitment to the business and to each other. They appreciate the stability and unified leadership that come from their shared family values. Those who work in family-owned businesses prize a shared company culture that springs from the nurturing qualities of family life. Many choose to work in a family business to create a legacy for their children and to give them the foundation to move up into leadership.

For families that choose to build and perpetuate a family business, it can be a satisfying way to bring together all aspects of their lives into a productive and fulfilling way to earn a living. Family businesses that survive and thrive have developed strategies for keeping business within the business and family within the family. And together they build a satisfying way of life. **CLDA**



One way or another, every member of a family is involved in a family business. Even if they aren't working in it. The wives of those working in a family business often have careers in other companies, but their own family's health and welfare is still impacted by their husband's role at the company. In other words, they are vested in the company's success.

For that reason, Bork suggests these businesses have an annual meeting for the entire family where there is a report on the success of the enterprise. This annual family meeting gives everyone a 10,000-foot view of the businesses so they know the company is progressing and secure. "This is not the place to go over the nitty gritty of every-day operations. It's when you discuss things in general. Everyone in the family has a right to know about the overall condition of the family business," says Bork. "They need to have a confidence that things are being handled well. Every family member is a partner in that enterprise and needs to know that the business is progressing and secure. This is a way to do that consistently and on an expected schedule."



*David Bork, president of
Family Business Matters*

By Andrea Obston
CLDA Director of Public Relations

Working for a Family Business as a Non-Family Member

Most of the people working in family businesses are not members of the family. These non-family members say the entrepreneurial spirit, the sense of community and a feeling of loyalty are some of the reasons that they enjoy working in family businesses. They use words like commitment, trust, stability, care, pride and empathy to describe the workplaces founded and run by families.

CLDA magazine talked to four members about working for a family business. Each had a decade or more of experience in a family business environment. They included:



Tim Cocchia



Glen Dusset



Chuck Moyer



Frank Oshman



Tim Cocchia currently works in a family-owned business, Xcel Delivery Services with offices in Phoenix and Tucson, AZ. You might think of him as a family business veteran, having once worked for his own family's business. "Because I had been in my own family business, I understood that the dynamics of these kinds of businesses are different," he says. "One of the reasons Xcel brought me in was my experience working in my family's business. They felt it meant there was one less hurdle they had to worry about when bringing in someone from outside the family." Xcel is owned by Mark and Kelly Spivak. Their sons, Jake and David, are also part of the operation. At one time, Mark's brother, Alan also worked for Xcel.

Tim has worked for the company for four years and currently serves as its Chief Operating Office.

Glen Dusset worked for QCS Logistics for 35 years and was with the founders, Ronnie and Sheila Burns, from Day #1 as the company's senior dispatcher. When their son Jason became the company's president in 2017, he was still there and when the company became part of Dropoff in December 2020 he stayed on. "I was on this journey and I wanted to be on it to the end. I'm still on this journey," says the man the Burns family affectionately calls "Mr. Glen."

Dusset and Ronnie Burns were childhood friends.

He had his own office supply and furniture company in Kansas City and when he sold it and moved back to New Orleans, he started spotting significant jobs that he thought Ronnie's Quick Courier Service (later QCS Logistics) would be as good fit for. His creativity and flexibility meant he was a natural fit to join the company. "I wore many hats in the 35 years. I worked as Operation Manager, Sales, and Dispatcher for

them," he says. "Ronnie Burns wanted success so badly and I wanted to go for that ride. It's been an intriguing ride." QCS is now part of Dropoff and Dusset is now working for them.

Chuck Moyer went to work for Priority Dispatch in 1984 as an independent contractor driver. A year and a half later he went inside as a dispatcher and worked his way up to Senior Operations Manager for the company's five facilities. He worked for the company's founder, Dick Thomas. Two of Dick's children, Jeff and Julie, were also involved in the business.

"Dick was instrumental in my learning the business and enhancing my career," he says. "When Jeff came in, we worked together to transfer and share business knowledge. I felt that Dick and I always had the utmost respect for each other and even though we didn't always agree, the debates were healthy and forward looking. He had great business sense and street sense. One of the lessons I've learned in my career is that life is a journey. You grow from different relationships and how you grow is up to you. No matter where you are, make the most of the journey, enjoy the ride, make friends and always give back."

Frank Oshman is the General Manager of PettyOne in Jacksonville, FL. He's been with the company, owned by husband-and-wife team Tim and Susan Petty, since 1995.

PettyOne is truly a family affair. Tim and Susan's daughter Megan is in the business as is her brother-in-law, Justin. Tim and Susan's grandson, Zachary, is in the business as well.

Frank's role as general manager means he's involved in every aspect of the day-to-day operations, from courier compliance to courier operations, to air and ground deliveries. He's also involved with the overall maintenance of the company's facilities. He is proud to say he never took a day off during the pandemic.



What Makes a Family Business Different

The emotional commitment to building the business makes working in this kind of environment different from other workplaces. “The dynamic with the owners is different than if you’re working for a company that is publicly traded,” says Moyers. “Their interest is in building the business to train family members to take over the business when the founder decides to retire. There’s a lot of emotion involved.”

Cocchia adds to that sentiment, drawing on his experience in his own family’s business and in the company he’s now involved with: “Anytime you’re in a family business there is an emotional component. It’s not just business relationships; it’s family relationships. Those are much deeper. Each family-run business is different in how they deal with that. Some look at business as business. Some look at business as family. For them, there isn’t a distinction between the two. Those coming into a family business need to pay attention to getting family members in the right positions so they can be successful. What you do with an employee is different than what you do with a family member. You need to do everything you can to make them successful. Of course, it doesn’t always work. Sometimes you have to move them more than once. And if there’s still no fit, it may be time for them to leave the company altogether,” he says, ruefully adding that he had to fire his own uncle twice in his family’s business.

Dusset cites the upside difference when it comes to working in a family business as the reason he’s done it for 35+ years: He liked being a part of a common purpose and the business’ entrepreneurial spirit: “Everybody wanted the same thing for QCS’ success. I wanted to be part of that success. We all felt we needed to accomplish these goals we had set, and we had this entrepreneurial spirit that helped us meet them. I think those attributes really makes working for family businesses different than working from others.”

He believes family businesses offer everyone in them

a sense of flexibility that’s not part of other settings. “It’s different because the family sets the tone,” he says. “In the corporate world it has a different feel. You have to do it by the book. You can bend the rules a little bit in a family business. There’s more flexibility there.”

The Upsides and the Downsides

Oshman has enjoyed his times with PettyOne, especially in being able to see the company grow through several generations. “I’ve known this family for a long time,” he says. “I’ve known all the kids since they were two and three years old. I’ve loved having the opportunity to train them; to show them how we’ve done things over the years. It’s been wonderful being a part of that legacy.”

He’s especially pleased to see the second generation coming into the business with their own ideas: “Watching the second generation coming in and having their own great new ideas is so satisfying. They have their own ways of growing the business, while staying true to Tim’s vision. When I came into the company Tim and others here taught me. Now I’m teaching the next generation and they are taking things to the next level. There’s a feeling of accomplishment. That’s what it takes to succeed – to be able to take it to the next level. If you hand it off and you’ve done your job, it runs faster, and you can cheer it on.”

On the other hand, there are challenges to working in a family business when you are not a relative. “You have to stay centered. As a non-family member, I may have a feeling about something, but I am well aware that I don’t have a vote,” he says. “I must stay neutral and not be part of family alliances. That doesn’t mean I have to be silent. If I have a position, I have to be more methodical about presenting it. If I have a point of view that’s not consistent with a family member’s, I’ll often refer back to the mission statement to help guide them.”

He values the ability many family businesses have to pivot; “Being in a family business, you are able to change

on a dime. You have to be alert to that change and work without interruption. Being that I've worked with the company founders I often find myself representing what I believe would be their best take on things. I know what Tim would expect. I may be talking with family members and Tim's not there. I can represent Tim's point of view, but ultimately, it's the family's decision. I'm the one who's going to manage the decision. Here's where I want to maintain a neutral position. Look, in the end, it's the family's way. I'm happy to guide them, but ultimately, it's the family's decision we'll be following. It's my job to steward that decision."

The Right Roles for the Right Family Members

Everyone interviewed for this article talked about the value of having family members being in the right roles. "That was one of the first things we discussed before I took the job at Xcel," says Cocchia. "I wanted to know what roles family members would play and to have a say in where they would best fit. Having come from a family business I felt strongly that that was a question we had to pre-discuss before I walked in the door. Like anyone coming into a leadership position I started by learning what people were doing and trying to see what the best spot for them would be. Before I joined the company, I made it clear I was going to do that for everyone in the company, family member or not."

Cocchia started his evaluation by understanding the long-term personal goals of each family member. "When it involves a family business there's a desire by the owner to do what's best for the family," says Cocchia. "One of the reasons you have a family business is to help support the family. You need to understand what family members want and what would make them happy. If you can align their goals with the business goals, you're setting yourself up for success."

Sometimes, the owner's view of the strengths of each family member will not match with reality. "You need to evaluate an individual family member's goals and skill set and what they want," advises Cocchia. "Then you

need to see if the owners' view is aligned with that. Are they different? If so, you need to address that. I came in wanting to understand what each person wanted and where they saw themselves in the future. I wanted to identify problems where the owner's views were different than what the employee wanted. I made it clear before I came in that if there was a difference between these two, I would address it with the owner. I told them I would be very honest if I saw that what the owner wanted for that person wasn't what they wanted. Open and honest communication and evaluation are very important. That's what managing people is all about, but in a family business, it's even more important. When it comes to these situations it's best to be proactive; to get ahead of it. Family dynamics make managing people more complicated. Adding family to the equation piles on layers of complexity onto the already complex process of managing people and getting them in the best place possible."

Because of that extra layer of dynamics, Cocchia advises any non-family member moving into a management position to go through this process before moving into a leadership position. He also suggests doing it a second time after working in the business for a while. "If you can identify any problems in the business before they become family problems, that's a good thing," he says. "It keeps it from spilling over into the business. Lots of family issues are delicate and involve emotion. When it's a family business it becomes even more emotional."

Cocchia points out that this process can result in realizing that a family member is not a good fit for their current position. "When that happens, it is a very sensitive and delicate matter," he says. "Before coming to this decision, you do need to have all your facts straight. The burden of proof is a much higher standard when you are dealing with family members. People will question your evaluation and there's a natural instinct to give leeway to family."

When suggesting a role change for a family member it's important to get clarification from the owner about

why the family business exists. “There’s no right answer here, but you need to know the owner’s position before moving forward,” says Cocchia. “The question here is, ‘Are you running this business to maximize your profits, or are you running it to give employment to family members?’ These two points can be diametrically opposed. If you know the answer beforehand, it makes the tough decisions easier. If they tell you they are there to maximize profits, then you need to discuss how having that family member in a dysfunctional role is detrimental to their business. It makes it easier to make a case to move that employee into a new position that’s a better fit. If they say the business exists to employ the family, they will do everything to keep that person in the job. That means suggesting they move the employee to another position becomes a tougher conversation.”

He points out that one of the pluses of working in a family business is that they tend to be more concerned about all employees. “It’s a personal environment and that’s part of what makes working in a family business attractive to me,” he says.

Golden Rules for Working in a Family Business

All four men interviewed for this story said they enjoyed working in a family business. Each offered their own advice on how to navigate that landscape as a non-family member.

Moyer offered these tips:

- Always be ready to learn and give 100%. “That’s what you’re hired to do,” he says. “That lets you grow and develop at a maximum level and ultimately give back at a higher level.”
- Realize family may be moved up ahead of you.
- Avoid letting things that are out of your power control you.
- Be honest, transparent and respectful when you disagree with family members.
- Remember that it’s their company.


Cocchia added these tips:

- Identify the roles and aspirations of family members to avoid future unexpected conflicts.
- Be proactive in addressing issues that arise, as they only get more complicated the longer they continue.
- Be honest and open and rely on data and facts to support difficult changes.

Dusset wrapped up the list of Golden Rules with this advice:

- Go out of your way to help the business go beyond the average small business.
- Be fair to everyone involved in the business from management to staff to drivers.
- Make sure everyone stays in their lane.
- Bring problems to the table when you see them and look for ways to resolve them.

Dusset ended the discussion with pleasant memories of what it’s been like working in a family business: “It’s been a journey for me and a good journey at that. I was a part of something that was successful for 35 years. How many people are able to say that? I’m proud of that accomplishment!” **CLDA**



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Thinking About Drones? Air Canada Execs Think You Should



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By Andrea Obston
CLDA Director of Public Relations

rones are already busily at work in the supply chain. And the future for them looks bright. That's how Air Canada Cargo's Ameet Sareen and Jason Berry see it. The company has been working with Drone Delivery Canada for the past two years. Their customers are using drones to transport everything from PPE, healthcare, food to auto parts.

Long before Air Canada signed up with Drone Delivery Canada, the use of these airborne delivery vehicles was on the mind of Ameet Sareen, General Manager of Drone Strategy at Air Canada Cargo. "My department at the time was responsible for putting together the long-term vision for the company. Cargo drones fit into that vision," he says. "As a result, in 2019 Air Canada Cargo signed an agreement with Drone Delivery Canada enabling Air Canada to make an entry into the drone industry. It was a strategic decision to align with Drone Delivery Canada given their expertise, safety, track record and vision as a leading drone solutions .

Drones have become a powerful tool in the supply chain. “Drones today have an over 200-kilometer range and can carry a few hundred kilograms. That’s a pallet of goods, an order for a store or even a large supply of PPE for a village,” says Jason Berry, Vice President of Cargo at Air Canada. “We are in the age of the industrial drone. These are more capable machines than the recreational versions in people’s imagination. For us, these are especially well-equipped for the Impossible Mile.”

In Air Canada’s world, that Impossible Mile is delivering to remote communities where the transportation infrastructure and environment provide logistical challenges. “Drones don’t need a runway. They can bring goods to communities where delivery is only possible at significant cost and with a great deal of effort. For these remote communities, drones are revolutionary,” says Berry.

Many remote communities in Canada have difficulty maintaining a reliable supply chain due to geographical challenges. Deliveries to these communities can be challenging. “Given Canada’s geography and weather, many months of the year there are few reliable means of transportation to and from these communities,” says Sareen. “DDC’s drone technology has enabled some island communities to receive steady supplies of such items as PPE, medical goods, food and mail. Anything that would move on a ferry, for example, can be transported using a drone, provided the cargo fits the drone’s size and weight capabilities.”

Another customer of DDC’s drone technology is a large logistics company using drones for the final mile delivery of goods without person-to-person contact. “Drone Delivery Canada is using one of their technologies to drop cargo from a height of about 40-50 feet into a net for this customer,” says Sareen, “It’s the ultimate touchless delivery!”

Another client in the logistics sector uses drones to move documents, small shipments and ready-to-ship merchandise within their large facility, resulting in fewer steps and reduced time.

Not Just the Impossible Mile

Berry and Sareen see the future for drones as going beyond the Impossible Mile. They foresee a time in the

not-so-distant future when drones are used in urban settings. “Instead of fighting traffic and dealing with parking in a city, someone delivering food, for example, could just deliver it directly to an 11th floor balcony,” offered Berry.

He sees drones’ utility in the supply chain as being multi-faceted. “Drones have the versatility and capability that many other vehicles do not,” he says. “I’ve been in aviation my whole life and I know that nothing beats the time and consistency of an airplane. And for mass and volume there’s rail and ships. But trucks need roads. Trains need tracks. Planes need runways. Vessels need ports. Drones are not constrained. They can delivery to virtually any point on the map,” he says.

Another Tool For Logistics Providers

Sareen expects drones to revolutionize the supply chain and become an important tool for last-mile providers. “Given the evolving needs of the logistics sector we believe drones will play an important part,” he says. “In an industry like ours, time and speed are of essence. Drones allow companies to deliver emergency commodities by avoiding traffic issues. And, as a bonus, drones allow for much greener distribution. In short, drones are the future of our industry. Logistics providers that do not include cargo drones in their future plans are at risk of being left behind as competitors adopt this technology.”

He advises last-mile providers not to look at drones as a threat, but as an additional tool to get the job done. “It’s another arrow in your quiver,” says Berry. “A final-mile provider can use drones for smaller volume deliveries in higher density places. They can be useful tools where these providers want to avoid being stuck in traffic. Time is money for all of us in the supply chain. We believe that drone technology has its place in the supply chain under the right circumstances. They bring flexibility and versatility that would fit well into anyone’s toolbox.”

Drones can work in every phase of logistics: the first mile, middle mile or last mile. “We believe drones are especially useful in the last mile,” says Sareen. “This is easily the most challenging part of the supply chain and also the most expensive. We all must be open to new alternatives like these drones. They provide solutions for geographic constraints.”

Issues to Conquer

While the future for drones in the supply chain looks limitless, there are clearly hurdles to leap along the way. "The drone industry needs to evolve," says Sareen. "The biggest impact on that, of course are the regulations. This is, understandably, a highly regulated market and those regulations have yet to catch up with the technology. We have to work with regulators, and regulators need to listen to companies like Drone Delivery Canada, which has been operating in this sector for over six years. They need to learn from their experience. With that said, we expect to see high levels of commercialization within the next three to five years as we see significant enhancements in the regulations."

There's also the issue of acceptance by those in the supply chain. "Getting the trades to understand the capabilities of drones and being open to adoption will take some time," says Berry. "There's a long lead time. Supply chains are difficult. Even when they don't work all the time, most involved with them are reluctant to make changes. Adoption is the hardest part of this. The drone industry is in its infancy on that count."

Decisions points: Is this for Your Company?

Berry urges any company considering the use of drones to be open to the opportunities they offer and to do their research into those possibilities before deciding. "R&D has to be part of the process," he says. "It's a large undertaking. You need to partner with those who have the experience. It's not something you can jump into without doing the work."

Berry's advice to logistics providers is to start doing their research now. "Some of the largest retailers in the world are already developing their own network of drones. Don't let your customers think of it themselves. Bring it to them. Find a good partner like Drone Delivery Canada that has a turnkey offering," urges Berry.

And for those looking at drones as a threat, he offers this parting piece of advice: "It's not the drones themselves that are the threat. It's the retailers who are making the decisions right now to adopt them. The threat to the final-mile carriers is that they will be left out of this. They can't let that happen." **CLDA**



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By Spencer Tenney, President and
CEO of Tenney Group

Takeaways from Recent Final Mile Acquisitions

In short, the final-mile delivery space is extremely active from an M&A standpoint. Notable transactions over the past 15 months include but are not limited to: Forward Air's acquisition of Linn Star Transfer; HIG Capital/Cardinal Logistics' acquisition of NRX Logistics; New Spring Capital's acquisition of Freight Right and HUB Group's acquisition of Non-stop Delivery. Each of these acquired companies happened to specialize in white glove, big and bulky deliveries and collectively, represent approximately \$320,000,000 in annual revenue. Tenney Group advised the sellers in each of the first three transactions mentioned above. Below are three takeaways from those transactions and other developing final mile M&A activity.

sition myself to capitalize on those opportunities... not at this stage in my life." This owner's comments capture the predicament of many business owners in this space right now. Explosive e-commerce growth, emerging smart technology and the possible integration of autonomous vehicles, drones, and robots as final-mile delivery options are all exciting developments. The question is execution. As the demands of retailers and consumers become greater and greater, the challenge to provide sustainable final-mile delivery solutions is becoming more capital intensive and more complex every day. That is why we are seeing many owners transitioning their business in part or whole to capital partners. They want to participate in an exciting future but not with 100% of the risks on their shoulders.

The Industry is Changing

Upon reflecting on a recent final-mile delivery business sale, one of our clients shared, "The industry was changing, and we had to make a decision. We either had to get big very quickly (through a few acquisitions) or begin our exit from the industry. Although the opportunities around us to grow and to innovate excited me, I ultimately couldn't see myself adding more debt, workload, and stress to po-

Processes and People are Driving Deals and Deal Structures

Although the above structure sounds perfect, the capital partners don't want all the risks on their shoulders either. In all the final-mile deals we have completed in the past 12-15 months, a common characteristic at the deal table is humility. Whether



the buyer is publicly traded, an industry strategic, a private equity group, or a private equity backed strategic, each party has come to the table with a strong understanding of both the complexities of this industry and its unforgiving nature. They have no desire to reinvent the wheel. Without question, the final-mile delivery space is highly fragmented. Proven specialists with an established foundation to build on are in limited supply and high demand. In the transactions we have recently advised on, the target companies being acquired had these characteristics: strong and tenured management teams; owners who were willing to provide a reasonable support period; strong financial performance compared to industry peers; access to key customer relationships with high growth potential, and forward-thinking processes and systems. Processes and people are driving deals because they de-risk the transfer of ownership. If a business can't check these initial boxes, they may not satisfy an initial screen by a buyer.

In the same way people and processes can influence the buyer's initial interest in the deal, they can also materially affect the structure of the deal. For example, one of our clients was interested in playing an active role for the buyer post transaction. Because he was healthy, more than capable, and interested in the responsibility, the buyer extended some roll forward equity in the buyer's company as part of rounding out the total consideration of the offer to purchase. This was a great instrument that provided additional transaction upside for the seller with minimal risks. That option is not available if there is not strong belief in the seller/management team's ability to add real strategic value post transaction. Companies with stronger people and processes are attracting higher valuation multiples than their industry peers because investors can't afford to miss any available competitive advantage.

Winners of the Future are Prioritizing Sustainability Today

The explosive growth around e-commerce has allowed some final-mile delivery companies to expand by as much as 100% year over year. Staying agile, keeping up with the demand of faster delivery times, and avoiding unforced errors is a tremendous challenge. An even greater challenge for business owners is simultaneously keeping their heads above water and ensuring their business models are built to last. A major takeaway from these recent transactions is that the owners understood that they had to find a way to manage massive, temporary growth and to ensure long-term success in parallel. They each took a different approach. Some hired extra support to help them stay out of the weeds (e.g. extra fractional CFO to help with process of exploring sale options). Some promoted members of the management team and pushed responsibility down to them. Some hired third party advisors to help them explore all options to advance their strategic position (sale, recapitalization, strategic alliance, acquisition, etc.) The common thread is that all of them made a decision to prioritize winning the future irrespective of how inconvenient it was at the time. **CLDA**

"...the challenge to provide sustainable final-mile delivery solutions is becoming more capital intensive and more complex every day."



Spencer Tenney is President and CEO of Tenney Group, a merger and acquisition advisory firm dedicated to the transportation and logistics industry. For more information, visit www.thetenneygroup.com or email dlooney@thetenneygroup.com.

Why Change Must Come at the US Postal Service



By Andrea Obston
CLDA Director of Public Relations



very day the US Postal Service has mis-routed packages and delayed deliveries. This ultimately ends up angering customers, frustrating e-tailers and ecommerce consolidators by providing misleading and incorrect tracking/tracing information. The issues are particularly troubling for commercial entities providing ecommerce “overseas forwarding” services.

“The Postal Service has been stretched beyond its capacity by the impact of ecommerce, which has been heightened by the pandemic,” one ecommerce forwarder told the *Customized Logistics & Delivery Magazine*. “Their low and inadequate pricing structure attracted on-line sellers, but they are simply incapable of handling the volume and variety of packages they have been called upon to deliver. One of the ways they’ve been coping with these issues is by erroneously posting that packages are delivered, when in fact they are not.”

These misleading delivery status updates are a problem for many commercial establishments that provide ecommerce forwarding services for overseas clients. Often, this misinformation occurs because of the inability to handle the massive volumes at the Post Office. Updates such as “Business Closed” or “Delivered”, satisfy the delivery standards expected by the shipper, but falsify the level of service provided to the recipient. Onforwarding services get the blame when they try to explain the truth to their clients. “On paper, the USPS has a high degree of success in accomplishing deliveries, but these statistics are exaggerated because of these falsified updates. And it is the ecommerce forwarding services that often bears the burden of guilt,” an ecommerce forwarder shared with the *Customized Logistics & Delivery Magazine*.

The Root of the Problem

The US Postal Service has had a long and troubled past and recent change in the way consumers shop have only exacerbated the situation.

Here’s a little history of how the current situation came to be: In 1995 Amazon began revolutionizing the way people shop. It developed the first ecommerce model in 1998. The US Postal Service was part of that model. Over the next two decades, the Postal Service carried approximately 40% of Amazon’s growing volume. The Federal mandate that the Post Office deliver to every household in the US made it the ultimate last-mile delivery partner. But the USPS’ infrastructure was outdated, designed mainly to sort and handle letters. This made it inefficient and cumbersome for the USPS to deal with packages of varying sizes and weights.

The Post Office, with its falling revenues, saw the new revenue stream of Amazon and related ecommerce e-tailers as their saving grace in 1998. But their inherent inefficiencies soon came back to haunt them. Their low and inadequate pricing structure came about to handle mail and magazines. It did not take into consideration the differences in pricing and the cost of handling of packages. This was a great attraction for the booming ecommerce sector, but it meant lower margins and, in some cases, greater losses for the USPS. More and more e-tailers saw the USPS as an attractive option for offering free delivery anywhere in the US. Their pricing was more favorable than traditional last-mile operators such as UPS and FedEx. Soon, even these operators saw the Postal Service as a cost-effective option. They started giving the USPS volumes of packages destined for “hard to reach” areas that simply were not profitable for them as private companies.

The rising demand put a strain on the entire USPS system. Their sorting machines were designed to handle mail and magazines, not packages of varying sizes and weights. Their delivery vehicles were not created to carry large volumes of packages and their postal workers were ill-equipped to carry hundreds of packages in their postal bags. Ever-increasing volumes demanded more robust capabilities and infrastructure, which the USPS simply did not and does not have. This inevitably led to increased misrouting. Over time, this issue has developed into a bigger problem with missing packages, less-than-accurate tracking and tracing information, and misleading delivery times and general information.

What You Can Do

The system as it now stands does not serve customers, e-tailers or the needs of commercial establishments providing ecommerce forwarding services, especially those serving overseas clients. In its ill-fated attempts to solve the problems, the USPS continues to make the situation worse.

In Florida, for example, the Postal Service tried to streamline the process by reducing some of the physical handling of the packages. They created unique zip codes for ecommerce where volumes could be combined and sorting automated, but workers in these facilities remain

unskilled and ill-equipped to handle the volumes, and returns associated with the growing ecommerce trade. A simple zip code change without meaningful infrastructural and cultural change did not work. The basic laws governing the USPS are not in line with the laws governing the ecommerce establishments, so essentially the Post Office continues to operate under differing rules as compared to those that govern private entities. An interesting benefit to some ecommerce providers who received the “unique zip code” designation, was a sales tax-free designation as well. The Department of Revenue of Florida recognizing this error is now seemingly refusing to designate all entities under the unique zip-code designation “unique zip code” thus creating additional unfair advantages for other overseas forwarders.

CLDA's Government Affairs Committee has been speaking out about these concerns and has been working hard at the congressional level to differentiate and mitigate these varying levels of regulations to standardize one common mutually beneficial set of rules for all. We are currently looking for both new and existing members who are experiencing issues with the USPS to help frame our recommendations. If your company has been impacted by the inefficiencies, false delivery claims and unfair practices of the USPS, we want to hear from you. Contact Michael Taylor, CLDA's Government Affairs Director. [CLDA](#)

“The Postal Service has been stretched beyond its capacity by the impact of ecommerce, which has been heightened by the pandemic...”



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PSP Report
CDLIS Report
Social Security Number Trace
SSN Verification (SSA-89)
Financial Institution Sanctions
HUD Limited Denial
Bankruptcy
Bankruptcy, Liens & Judgments
Credit Report
FACIS

VERIFICATIONS:

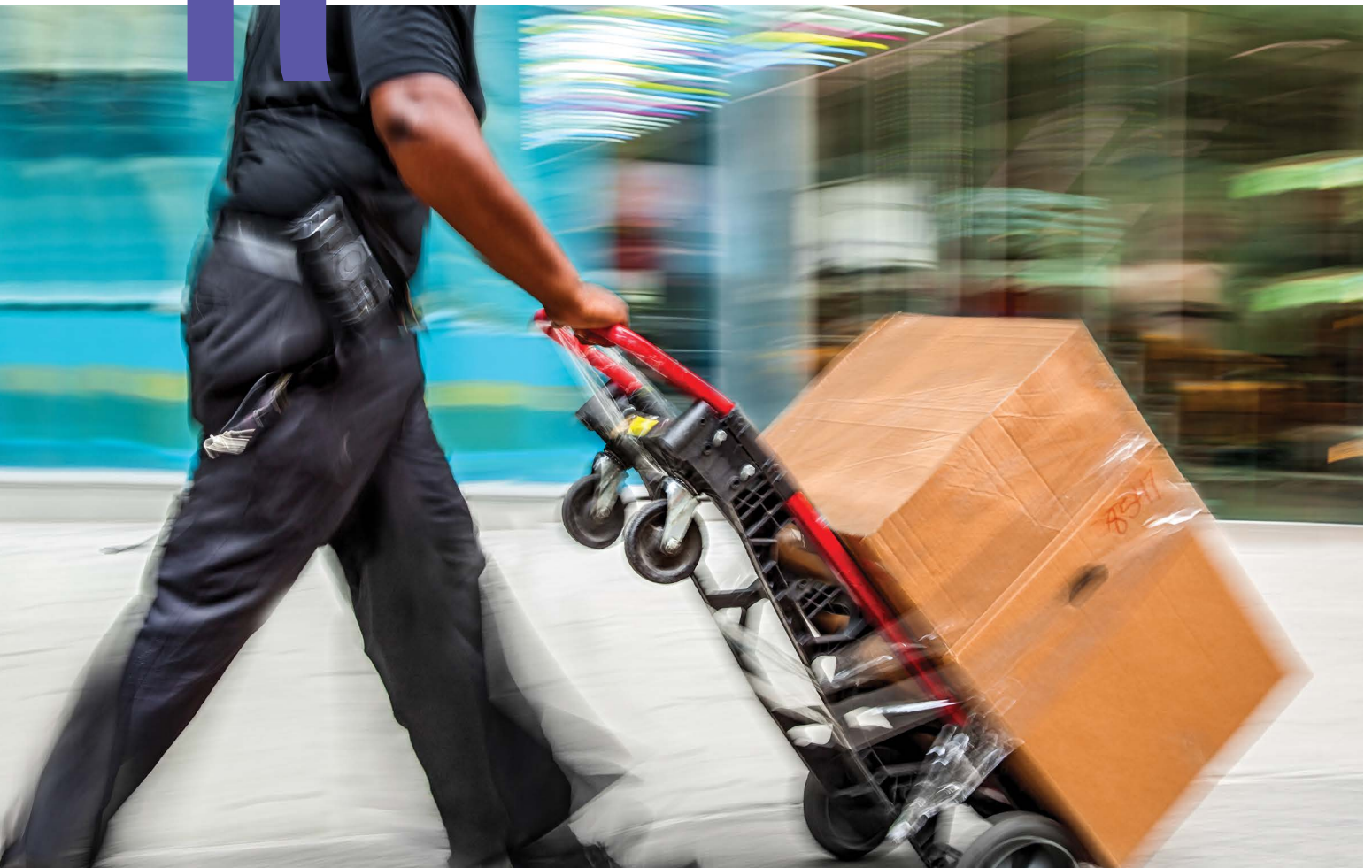
Education Verification
Employment Verification
Professional References
License & Certificate Verification

Abuse Registry
Adverse Action Letter(s)
Tenant Screening/Reference
Tenant Eviction Search + Criminal

With the Exit of MAJOR CARRIERS THE COURIER INDUSTRY has an
Opportunity Delivering for the growing
Vaping & E-Cigarette sectors

By Andrea Obston
CLDA Director of Public Relations

Recent regulatory changes to the Prevent All Cigarette Trafficking (PACT) Act have created an opportunity for those in the courier industry. The changes make the delivery of vaping and e-cigarettes more challenging, but one industry expert says they also open the door for those in the courier industry.



"These carriers have the flexibility and trust to handle these products," says Jim Bramlett, Chief Executive Officer at 5 String Solutions in Leawood, Kansas. "These are carriers for the pharmaceuticals industry, so they understand what it takes to operate in this kind of controlled environment." 5 Strings Solutions offers a network platform that provides real-time data exchange between shippers and their partners. They are active members of the Customized Logistics & Delivery Association (CLDA).

The increased requirements have meant that all of the major carriers are refusing to deliver for the vaping products industry. Not only have UPS and FedEx announced that they will no longer handle these products, but DHL, Lasership and OnTrac are also refusing to work with this industry.

This has caused many online vape retailers to look for shipping partners among private logistics companies. The new PACT Act law changes went into effect in late March and apply to any carrier that transports vaping and e-cigarette products. The law requires that any carrier that transports these products and delivers them to a consumer's home must verify the age and identity of the customer at purchase, check IDs, obtain adult customer signature at delivery, and maintain records of delivery sales for four years after the date of sale, among other things.

"Because of these complexities, I believe that this is a space that couriers could jump into," says Bramlett. "The large delivery companies have been passing on this because it takes too much time to ring the bell, verify that the person signing for this is of age, capture their signature and keep it on file for four years. The big carriers prefer drop and run."

Bramlett acknowledges that the business may not be right for every courier. "I've spoken to some who

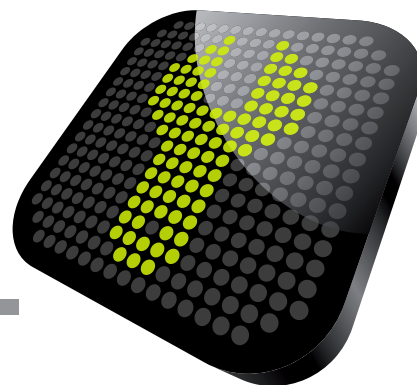
say, 'I'm in the health and life-saving industry delivering pharmaceuticals. I just can't get there. This doesn't match with my company's ethics.' Others may be put off by requirements the PACT Act puts on them to make sure the products don't end up in the hands of younger consumers. These are all part of each company's individual decision-making processes and obviously have to be considered before taking on this business."

For those couriers that are not interested in dealing with the restrictions around home delivery, there is another part of this vertical that may be right for them: working with manufacturers to get their products to retailers. "As a rule, these small retailers are only looking at stocking 16 to 18 orders a day," he says. "Couriers will need to find ways to aggregate those and move them out effectively. Shippers want to use someone who can take it from a central point and take it to, say Los Angeles, and then have someone else (a courier) take it to retailers. This part of the last-mile supply chain is a very comfortable place for couriers. They are used to managing these kinds of challenges. Customized deliveries are what they do."

"The members of this industry are known for their ability to adapt to the unique demands of shippers. For those who are interested in pursuing it, this could be an opportunity," says CLDA President Steve Howard.

Bramlett believes the courier industry has an opportunity with these deliveries if they can create systems to manage the extra requirements imposed by the PACT Act. "This is a wake-up call to the courier industry," he says. "This business is yours for the taking and there's more behind it. Regional couriers are experienced in the challenges of working with controlled substances, nimble enough to adapt to their requirements and fueled by the creativity that has always characterized this industry." **CLDA**

Business Toolkit



By Sean Ludwig, Contributor, US
Chamber of Commerce, CO Program



HOW TO GET CERTIFIED AS A MINORITY-OWNED BUSINESS

GETTING YOUR BUSINESS OFFICIALLY CERTIFIED AS MINORITY-OWNED CAN OPEN UP NEW OPPORTUNITIES FOR FEDERAL, STATE, LOCAL AND CORPORATE CONTRACTS.

Governments and corporations around the United States often set aside a percentage of their contract budgets exclusively for minority-owned businesses. These entities want to ensure they are doing their part to buy from a broad set of suppliers that better represent all communities.

However, if a business wants its operation to be formally recognized as a minority-owned business or enterprise, it should seek to get an official certification. This shows first that the business is credibly established and second that it is ready to work with large public and private entities.

Read below to learn about how to get certified as a minority-owned business and how this certification can help a business get more contracts from large companies and governments.

GET TO KNOW THE NATIONAL MINORITY SUPPLIER DEVELOPMENT COUNCIL

When it comes to getting certified, businesses first need to know more about the National Minority Supplier Development Council (NMSDC), the largest and most prominent certification body for minority-owned businesses. The organization says it has an “unwavering commitment to advance Asian, Black, Hispanic, and Native American suppliers in a globalized corporate supply chain.”

The NMSDC has a network of 12,000 certified minority-owned businesses that can then be connected to more than 1,400 large corporate members. NMSDC certification also holds a lot of weight in government circles, with many states and cities accepting NMSDC certification to help with public-sector contract selection.

Corporate membership of NMSDC includes many of the largest privately owned companies in the world, including Accenture, Apple, Bank of America, Delta Airlines, Facebook, Google, GM, Microsoft, Nike, Raytheon, UnitedHealth Group, Walmart and Walt Disney Company. These member companies use the NMSDC directly of minority-owned businesses to research companies and award contracts.

HOW TO RECEIVE NMSDC CERTIFICATION

For businesses seeking NMSDC certification, the organization offers a relatively easy process to apply. They will go through the following steps:

- Review the certification criteria to make sure the business qualifies. These criteria include that business owners must be U.S. citizens, the business must be located in the U.S., and the business must be at least 51% minority-owned operated and controlled.
- Gather required documentation including certificate of incorporation, articles of incorporation, stock certificates, stock ledger, bylaws (executed and attested), and amendments (if applicable).
- Complete the online application, which must be completed on the website of the regional NMSDC affiliate closest to your business headquarters. Find the closest regional affiliate [here](#).
- Pay the application fee, which must be paid online via credit card.
- Upload all required documentation needed to finish the application.
- Schedule a site visit and interview, which will be performed by an NMSDC Certification Specialist.

The NMSDC certification process can take up to 90 days to complete. Once a business has sent in all application materials, it will be reviewed by the NMSDC Certification Committee. If the Committee approves the application, it will be submitted to the NMSDC Board for final approval. If

the Board rejects the application, a business can submit a letter appealing the ruling that addresses concerns. If it approves the application, you will receive a notice via email.

FEDERAL AND LOCAL CERTIFICATIONS

On top of the NMSDC certification, a minority-owned business may also seek out certification from other entities, such as the Small Business Administration (SBA) or individual cities and states in which they are located.

Specifically, the SBA offers a certification called 8(a). Businesses with 8(a) certification are eligible to win federal contracts that are reserved for “small disadvantaged businesses.” The federal government has a goal of awarding at least five percent of contracting dollars for business with 8(a) designation. While 8(a) businesses do not necessarily need to be minority-owned businesses, all companies with 51% minority ownership are likely eligible according to federal regulations.

When it comes to states, Ohio is an example of one that has its own Minority Business Enterprise (MBE) certification process. Once certified in Ohio, minority-owned businesses can win contracts from state agencies, boards and commissions. The state has a goal of awarding 15% of contracts to MBEs. Many other states have these types of certifications as well.

Finally, when it comes to city-level certification, Chicago is a prime example. Chicago has its own Minority and Women-Owned Business (M/WBE) Certification Program. Approved certifications are valid for five years and businesses that are approved have access to bid on large city contracts. Other cities such as Austin, Houston, Indianapolis, Memphis, and New York City offer similar certification programs.

CO— aims to bring you inspiration from leading respected experts. However, before making any business decision, you should consult a professional who can advise you based on your individual situation.



CLDA's Final Mile Forum Weeks Away

Expected to be Industry's First National Live Post-Pandemic Event

The industry's first national live event following the COVID-19 pandemic is only weeks away. The 2021 CLDA Final Mile Forum will be held at Caesars Palace in Las Vegas June 23 to 25. Registration has been brisk since the announcement of the meeting, but there are still a few spots available. It will feature educational sessions, networking events and a front row seat on the industry's latest innovations.

Logistics providers will learn how to beat the odds and get back to business starting with keynote speaker and rock and roll thought-leader, Sandy Gennaro. Gennaro will share the lessons he learned as a drummer to the stars; lessons that helped him survive the shark-infested waters of the music business. He'll apply that wisdom to the world of logistics, sharing with conference participants strategies for honing leadership skills, managing change and retaining and motivating team members.

World-class drummer Sandy Gennaro recorded and toured the world with Rock and Roll Hall of Famers for over a half century. Artists such as Cyndi Lauper, Joan Jett and the Blackhearts, The Monkees, Bo Diddley, Johnny Winter, Montrose, The Pat Travers Band, Mark Farner, Benny Mardones and Robin Gibb worked with Sandy in the recording studio and on stage.

"Sandy might seem like an unlikely presenter for this conference, but we were impressed with how universal the lessons he learned in the world of rock are for those in the logistics sector. We know our conference participants will be blown away by his energy and fabulous tales about the rock legends who created the background music of our lives," said Conference Chair Thomas Jowers. "Sandy has inspired conference participants at events sponsored by FedEx, the US Space and Rocket Center, New Era Health Plans and the Women's Council of Realtors, so we are certainly in good company."

In addition to Gennaro, this year's high-profile speaker will be U.S. Senator Mike Braun (R-IN), who will be the featured presenter at the Final Mile Forum Advocacy Breakfast on June 24. Sen. Braun, a veteran of the logistics industry, will bring an insider's view of the legislative environment in Washington to all CLDA Advocacy Fund donors.

THE FULL EVENT WILL INCLUDE:

- 10 educational sessions featuring new ideas, best practices, emerging verticals and M&A activity in the industry
- 12+ hours of dedicated networking time for business development and reconnecting with business associates in the industry
- New services and solutions for growing bottom lines and strengthening companies from the 30+ vendors in the CLDA Exchange Hall

EDUCATIONAL TOPICS WILL INCLUDE:

- Impact of COVID-19 on the logistics industry
- Shipper expectations and final mile challenges with last-mile delivery
- Lessons from 2020 to enhance performance in 2021
- Electric vehicles in the final mile
- Women in logistics
- Providing services for indirect air carriers
- Changes in the insurance world and their effect on final-mile carriers

CLDA members receive a discount. For last-minute registration visit clda.org/fmf. **CLDA**

Still Time to Participate in the “Member Get a Member” Campaign

There is still time to be a part of the CLDA Member Get a Member Campaign. **Recruit a new member to CLDA by June 11 and qualify to enter a raffle to win a \$250 gift card, a spot in the CLDA magazine and benefits at the upcoming 2021 Final Mile Forum.**



“In our industry, there is strength is numbers. The Member Get a Member Campaign helps us grow the CLDA family fueled by the excitement of current members,” says CLDA Membership Chair Charlie Wolfe. “This is the perfect time to share what CLDA has to offer with those who don’t know about us or

who have not been around for a while – and be entered for a prize drawing.”

Those who recruit a company that has never been a CLDA member or has not been a member since at least 2019 can enter the raffle to win:

- Feature article in the Summer 2021 issue of CLDA Magazine
- One (1) complimentary hotel night at the 2021 Final Mile Forum
- Invitation to exclusive VIP events at the 2021 Final Mile Forum
- Recognition during the CLDA Business Meeting at the 2021 Final Mile Forum.

Recruit a new member by June 11. When they sign up, make sure they use the code MGM21 and list your company in the referral field so you will be entered into the raffle.

Share your enthusiasm for the CLDA and get some extra bennies to boot. [CLDA](#)

CLDA Awards its Second Continuing Education Scholarships

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



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.

This year's recipients are

- Darren Frankel, son of Michael Frankel, Co-Owner & CEO of Sir Lancelot Courier Service in Philadelphia, PA
- Joseph Rivituso, son of Lori Rivituso, Collections/AR Manager at Select Express in New York, NY [CLDA](#)

Date for Executive Leadership Summit Set

CLDA's annual Executive Leadership Summit will be held as a **virtual event on October 6 and 7**. The theme for this year's event is “Strategic Transition.”

The event will offer executives and their up-and-coming leaders targeted training and tools to improve their company's sales leadership, drive strategic thinking and planning and understand the advantages of an inclusive and diverse leadership approach.

This is the fourth year for this CLDA skills development boot camp for c-suite executives, young professionals and managers in the leadership pipeline. Watch your email and the CLDA website for more details. [CLDA](#)

CLDA Takes The Lead in Building a More Diverse Logistics Industry

CLDA expressed its commitment to offering new opportunities for all members of the industry by elevating the Diversity and Inclusion Task Force to a standing committee. During its March meeting, the Board voted unanimously for the change.

Co-chairs Kelly Picard and Jason Burns brought the recommendation to the board and both were pleased with the outcome. “The Task Force was formed as a fact-finding group. We wanted to see if there would be something of value to our members in addressing diversity and inclusion. With this change it becomes a priority for the organization,” says Picard. “It’s a recommendation and an affirmation by the board that these are important issues that the association feels will provide value to our members, their companies and the organization for many years to come,” added Burns.

The mission of the Diversity and Inclusion Committee is to increase the diversity (age, gender, race and ethnicity) of the CLDA membership and foster an inclusive environment that empowers active participation of all members.

Of primary importance to committee members is helping members cultivate the talent to keep them competitive. “Studies have shown that inclusive organizations have higher performance levels. Our goal is that all members of the CLDA feel they are included and can contribute to some facet of this organization and the companies they work for,” Picard says. “We want to create an atmosphere for our members to learn about the things that impact their business and hearing from more voices is one of the best ways to do that.”



The committee has several initiatives that it plans to roll out over the next year and some are already in progress. They include:

- Pursuing and recruiting diverse-owned delivery businesses and vendors to the CLDA.
- Offering an online training course for member companies and their employees on inclusion in the modern workplace and managing bias. CLDA has partnered with a nationally recognized leader, EverFi, and will introduce this initiative at the Final Mile Forum. Participating companies will be recognized and receive certificates of completion.
- Highlighting MWBE member companies on the new CLDA website with icon designation.
- Creating quarterly “Breaking Down Barriers” icebreaker conversations among members.
- Establishing a goal of at least 25% of speakers/presenters at all CLDA events to be from diverse backgrounds.
- Recruiting and developing a pipeline of under-represented groups (i.e. minorities, women, etc.) from supply chain programs at historically Black colleges and universities (HBCUs), majority women enrolled colleges, community colleges, traditional universities and other certified programs to intern at member companies.
- Creating a CLDA Feedback Hotline and app for members to anonymously voice any suggestions or issues, which will be rolled out at the Final Mile Forum.
- Adding educational resources to the website that will help all members enter the logistics field and grow their companies.

Co-chair Jason Burns expressed optimism in looking towards CLDA’s role in welcoming and supporting the diversity of those in this industry. “We want the ideas of diversity and inclusion to be immersed throughout this organization and not just be a stand-alone initiative. Broadening the face of our industry can’t only be one committee’s job. These initiatives should be a part of everything the association, and ultimately the industry, does to attract top talent and stay competitive.” **CLDA**

CLDA Member Benefits Committee Adds Discounts on Commercial Fuel

Robinson Oil Corporation (ROC) is the latest addition to the CLDA Member Benefits Program. They are the 16th vendor to offer substantial discounts to CLDA Members.

The ROC commercial fueling division offers commercial fueling fleet cards that are accepted throughout the US and Canada at over 57,000 locations. In addition, the company owns and operates 36 fueling stations with convenience stores in Northern CA.

With ROC's commercial fueling fleet cards, CLDA Members receive wholesale pricing with a fixed margin plus additional discounts based on volume. "Robinson Oil Corp. has been in business for over 75 years," points out, Debi Biggers, the company's National Sales Manager, whose responsibilities also include Marketing & Sales Operations. "Our commercial division provides fuel cards to over 1600+ customers with fleet sizes from 1 to 500+. We value every customer like they are our ONLY customer."

The Member Benefits Committee's goal is to offer members substantial discounts on the products and services that members use every day in their businesses. Members that take advantage of the programs often save more than the cost of their dues to the association.

Other vendors that participate in the CLDA Member Benefits Program offering discounts to members include:

- ADP
- BizChoice Transportation
- Budget Truck Rental
- CAT
- Front
- Hub
- Momentum Groups
- National Facewear
- Penske Truck Leasing
- Premier Background Screening Services
- Shoes for Crews
- T&K Apparel
- Tickets at Work
- UPS

Begin saving today. **CLDA**



The CLDA Network is Growing

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.

Allegro Home Delivery – Eagan, Minnesota

Allegro Home Delivery offers nationwide high-speed, white glove home delivery and assembly.

- Point of Contact: Steve Nelson

Apollo Messenger Service – Roselle, Illinois

Apollo Messenger Service: a hot shot courier service.

- Point of Contact: Robert Banks
Find us on Facebook!

Associated Couriers, LLC – St. Louis, Missouri

Associated Couriers, LLC: your partner in medical and final mile logistics.

- Point of Contact: Drew Ciembronowicz

Branch – Minneapolis, Minnesota

Branch provides fast, seamless 1099 payments and reporting. Have independent contractors on your payroll? Need a benefit to attract more workers? Deliver instant payments and digital banking for free. Get your contractors fully banked and paid on day one with Branch. Our solution is scalable and flexible, allowing you to cut costs while providing faster pay and easier, efficient 1099 reporting.

- Point of Contact: Charlie Kleiner
Find us on LinkedIn!

Crosstown Couriers – Tampa, Florida

Crosstown Couriers provides same-day/next-day delivery service for both medical and non-medical industries. Specializing in on-demand and routed services, our fleet is comprised of cars, vans and box trucks. We operate 24 hours a day and cover the state of Florida.

- Point of Contact: Dave Douglas

Delmont Logistics, Inc. – Annapolis, Maryland

Delmont Logistics, Inc. offers customizable, controlled delivery of specimens, pharmaceuticals, blood and chemotherapy therapies. We are HIPPA compliant and blood pathogen certified. Based in Maryland, we transport in the DMV (DC, Maryland, Virginia) area.

- Point of Contact: Frances Joseph

Fast Services Courier SAS – Bogota, Colombia

Fast Services Courier SAS is located in Colombia and transports documents and merchandise worldwide using the best track and trace technology.

- Point of Contact: Catalina Lozano

FG Management Group, LLC – Maplewood, NJ

FG Management Group, LLC strives to provide services that embrace the heart and mind. As a Service Disabled Owned Small Business and 8(a) SBA Certified, we are a people-first company that caters our services to specific needs with superb systems to enhance the customer service experience. We provide courier and warehouse services.

- Point of Contact: Frito Geffrard

Freight N Cargo Logistics, Inc. – East Meadow, NY

Freight N Cargo Logistics, Inc. offers express delivery courier and customs brokerage services.

- Point of Contact: Anthony Persaud
Find us on Facebook, LinkedIn, and Twitter!

Goodyear Tire & Rubber Company – Akron, Ohio Tire Manufacturer

- Point of Contact: Tara Welch
Find us on Facebook and LinkedIn!

Grand Aire Inc. – Toledo Express Airport, Swanton, Ohio

Grand Aire, Inc. is an air and ground logistics management company. We offer air charter, air freight (NFO), hand carry and expedited ground transportation options.

- Point of Contact: Tony Bass
Find us on Facebook, LinkedIn, and Twitter!

KXP Logistics – Boston, Massachusetts

KXP Logistics specializes in rush same-day delivery services. Our warehouse is in the Hyde Park section of Boston, where we offer cross-dock, short-term and long-term warehousing, trucking, distribution, on-demand, routed, scheduled, contingency drivers as well as customized logistics services. KXP operates with high ethical standards - honesty, trust, integrity, professionalism, and fairness. Please contact our company with your next request in the Boston area!

- Point of Contact: Kathleen Heger
Find us on Facebook!

Logistics Technology HQ – Forked River, New Jersey

Our mission is to help our customers streamline their internal business processes through technology and analytics so that they can provide better customer service and increase profitability. Our team of technologists have over 20 years of combined experience in designing, implementing, coding, and maintaining complex transportation management systems, business processes, API's, and analytics platforms for local, regional, and nationwide couriers. We offer a wide range of professional services (CIO/CTO services, analytics platform design/development, financial automation, special projects, initiative implementation, outsourced IT services, and more) to fit your specific business needs.

- Point of Contact: Tim Kravitz
Follow us on Facebook and LinkedIn!

Medi-Ops – Denver, Colorado

Medi-Ops is a 24/7 medical transportation and supply chain management organization with a heavy emphasis on medical courier operations utilizing our proprietary software. We conduct lights and siren, air charter, next flight out, and on-demand courier services to blood and organ banks when time is of the upmost importance.

- Point of Contact: Rylan Stone
Find us on Facebook, LinkedIn, and Twitter!

OTL Logistics – New Orleans, Louisiana

We are a leading final mile delivery and logistics company serving south Louisiana.

- Point of Contact: Jeff O'Hara (email)
Find us on LinkedIn!

Peninsula Express Courier – East Palo Alto, California

Peninsula Express Courier: your delivery service provider.

- Point of Contact: Orlando Payton

Pentagon Final Mile – Franklin, Tennessee

The Pentagon Final Mile team has decades of combined experience overcoming complex supply chain barriers. Our team addresses capacity, scalability, technology, warehouse, labor and transportation issues on a centralized platform. We do all this while customizing each final mile solution to our specific client's needs.

- Point of Contact: Chuck Moyer

Proships SAS – Bogota, Colombia

We provide logistics services in all of Colombia focusing on the ecommerce market.

- Point of Contact: Marco Rojas

Sendflex, LLC – Northborough, Massachusetts

Sendflex's collaborative TMS solution uses AI to match shipper shipping requirements with last-mile carrier capabilities, controlling costs and optimizing customer delivery experiences.

- Point of Contact: Bob Malley
Find us on LinkedIn!

Urban Shipper Technology – Boston, Massachusetts

Urban Shipper Technologies is a national courier network.

- Point of Contact: Doug Clemons (email)
Find us on Facebook and LinkedIn!

Zoomo – Sydney, Australia – San Francisco, California

The best e-bikes to rent, trusted by thousands across the world. Available in the United States, United Kingdom and Australia.

- Point of Contact: Marc Zaide
Find us on Facebook and LinkedIn!

CXT Software Announces Leadership Changes and New Product Development Plans for 2021

CXT Software is pleased to announce that **Shaun Richardson** has been promoted to chief executive officer and will now lead operations, as founder Lyndon Edmonson transitions from the role and remains on the company's board of directors. With the leadership change, Derek Figg, who has been with the company for 17 years and previously served as SVP of Operations, will now serve as the company's chief operations officer.



"Shaun has been a key member of CXT Software's leadership team for over a decade and we are extremely excited to promote him to CEO and to support him in this new capacity," said Lyndon Edmonson, who co-founded CXT Software and has served as CEO since 2015. "Shaun has been shaping and helping drive our company's strategic vision for many years now and we look forward to continued growth under his leadership."

Shaun joined CXT Software in 2008, with a strong background in project management and IT. His deep understanding of network administration, server management and leveraging Microsoft technologies has been instrumental in CXT Software's success. Shaun advanced rapidly through various leadership roles, most recently as Senior Vice President of Administrative Operations, where he has spent the past two years overseeing all administrative areas of the business, as part of a cross-functional training and succession plan to prepare him for the role of CEO.

"I am truly humbled and honored by the opportunity to lead CXT Software and to continue to grow our product offerings, nurture our talented team and continue to expand our business," said Richardson. "I am deeply aware of the incredible privilege and responsibility that comes with this

role and I look forward to building on the strong foundation that Lyndon established for our company."

Edmonson will remain involved in an advisory capacity and will also continue to serve as a member of the company's board of directors.

"Over the past year, we've been working on succession planning to ensure that our product development and role as a market leader continues to be strong," said Edmonson. "We are well positioned to continue to build and deliver best-in-class software solutions that meet and exceed the expectations of our customers and of the demands our industry is facing now and into the future."

In addition, CXT Software also announced the promotion of **Derek Figg** to Chief Operations Officer, recognizing Figg's significant contributions to product development and the company's success during his 17-year tenure. "Derek has been with us since the beginning and has been instrumental in developing and designing the software solutions that powers our business and serves our customers," said Edmonson.



Derek joined CXT Software in 2002 as the company's first SQL/VB developer and has been a key member of the strategic team ever since. His extensive knowledge and experience with networking, systems analysis and database administration, combined with a strong understanding of long-term product development roadmapping, have served as the backbone for CXT Software's software suite. First as VP of Development and then as SVP of Operations, Derek's commitment to building the best solutions

possible has positioned the company as a best-in-class leader, driving technology innovation. Now, as COO, Derek will oversee the company's skilled engineering, infrastructure and product development teams as CXT Software sets its sights on an exciting product release schedule and operational updates over the next 24 months.

"The shipping industry is at an exciting inflection point, where historic growth in business opportunities meets exceptional competition in the marketplace," said Figg. "Since our founding, CXT Software has been at the forefront of leading solutions that meet the ever-changing needs of the industry, and our team is more prepared now than ever to empower our clients to take advantage of an exciting new phase in the expanding transportation industry and associated vertical markets."

As the company looks at the new year ahead, they intend to push forward with operational and product developments; highlights include:

Product & Operational Updates

- **First to Market with Wise Systems Partnership:** Advanced route optimization, AI assisted and automated dispatch, and route planning tools to increase driver workload capacity, while also improving on-time delivery rates
- **Migration to Microsoft Azure SAAS Offering:** Industry-leading tools and services to offer the best stability, fault-tolerance, and performance; will also enable faster product enhancement lifecycles to provide product solutions and upgrades as rapidly as the transportation industry's needs are evolving
- **Provide Even More Tools for Transportation Management Excellence:** Large and expanding featureset for transportation managers to monitor KPIs, chart and analyze business trends, make fast and effective decisions on operational exceptions, and better predict both challenges and growth opportunities. Further enhancements to industry-leading dispatch capabilities will include visual and map-based dispatching options, providing dispatchers and managers multiple solutions to improve dispatching efficiency.
- **Focus on Expanding Business Opportunities for Our Customers:** Increasing API functionality, standardizing web hooks for advanced third party integration, simplifying automations and expanding product-level integrations with third party shippers and business partners

For more information about CXT Software and their plans for 2021, visit cxtsoftware.com/about **CLDA**

ABOUT CXT SOFTWARE

When CXT Software opened our doors two decades ago, we were determined to help courier and route delivery companies succeed by designing last-mile, route and on-demand software that spoke to their unique needs. Since then, we've been on the frontlines of a rapidly changing world of delivery logistics and we've been enjoying every minute. We find our purpose in helping our customers grow, compete, and thrive. We support a wide range of industries. With extensive knowledge and integration experience, our team knows how to successfully support large-scale enterprise clients and complex integrations. And, at the same time, we want to help our smaller customers grow, whether that's increasing business in a particular service area or expanding into new verticals. For more information about CXT Software, visit cxtsoftware.com.

Datatrac forms eTrac Technologies to focus on last mile integrations

Datatrac Corporation's innovative eTrac product has been spun off into its own company, eTrac Technologies.

Datatrac Corporation, an industry leader in courier technology solutions has announced a spin-off of their ground-breaking product, eTrac, into a new company, now called eTrac Technologies.

Datatrac's specialization in last mile business operations was the genesis behind eTrac. Datatrac's focus is regional and local last mile carriers while eTrac's audience is primarily shippers, 3PL's and freight forwarders. This audience differentiation along with eTrac's rapid growth have led the Founder and CEO, Henry Dixon, and board to decide to separate the companies into independent organizations.

Datatrac Corporation was founded over 40 years ago and became one of the first software solutions for couriers. In the years since, they have expanded their software offerings and have continued to maintain their presence as the foremost courier software solution.

eTrac was designed to provide shippers, 3PL's, and freight forwarders a better way to access the fragmented and nuanced regional and local last mile carrier market. Their intelligent solution allows clients to build a nationwide last mile network ten-times faster than other methods. With customers that include some of the world's largest brokers and 3PL's, eTrac is more than ready to stand on its own feet.

To serve as CEO of eTrac Technologies, Henry Dixon selected Charles Pearson, a former Datatrac executive.

"Charles has worked in the industry for a number of years and has experience in building and growing successful companies," said Dixon, "Charles has already made a difference at Datatrac and I look forward to working with him as he leads eTrac Technologies into the future."

Charles Pearson has a formidable reputation successfully building thriving technology companies, including Omnilink Systems, Secur and Prepara. "Our team is excited about the future as eTrac continues to be the best way for shippers to connect with their final mile carriers," said Pearson, "The logistics market is rapidly changing and eTrac allows their customers to thrive in this new world." **CLDA**

ABOUT DATATRAC:

The industry-leader in last mile courier software, Datatrac's product suite has scalable solutions for courier companies of all sizes. For over 40 years, Datatrac has created intuitive products to streamline courier operations and help their businesses thrive. Learn more about Datatrac at www.Datatrac.com.

ABOUT ETRAC TECHNOLOGIES:

Developed to make reaching the last mile easier than ever before, eTrac works with some of the largest 3PL's, freight forwarders and shippers in the world, helping them build a last mile network faster and more efficiently than their competitors. Learn more about eTrac at www.eTracTechnologies.com.

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.

Delivery Drivers, Inc. News.

Delivery Drivers, Inc. Receives The Startup Weekly's 2021 Marketing & Advertising Companies to Watch Award

Delivery Drivers, Inc. (DDI) was recently recognized by The Startup Weekly as one of the 2021 Business Products & Services Companies to Watch. The Startup Weekly presented the Business Products & Services Companies to Watch award to businesses that have showcased strong growth and excellence in 2020.

This year's awards attracted a record number of applications across company stages in the United States. The winners were selected by a panel of judges comprised of top executives, founders, investors, and industry experts. The companies were evaluated based on growth, strength of the product or service, impact on the industry, and commitment to customer success.

"This achievement comes during a significant year - our 25th anniversary! Throughout our 25 years, DDI has maintained a history of excellence and has seen tremendous growth. In the past three years our revenue grew by 1,521%! This recognition, along with many others we achieved this year is made possible by our dedicated team and amazing clients. We look forward to continuing our mission of helping businesses achieve their last mile delivery goals," said Aaron Hageman, CEO, Delivery Drivers, Inc.

"This year's award recipients represent the very best of entrepreneurial excellence in the United States. The judging panel was thoroughly impressed by the accomplishments of all awardees," said Peter Justin, Managing Editor of The Startup Weekly.

ABOUT THE STARTUP WEEKLY

The Startup Weekly is a leading independent source of news, insights, interviews, and awards for business builders across all sectors of the economy. The company's media contributors include founders, business executives, investors, and other thought leaders. The Startup Weekly is committed to establishing a community for those pursuing entrepreneurial excellence.

For more information, visit: <http://www.thestartupweekly.com>

Delivery Drivers, Inc. Hiring 140,000+ Driver Partners in 2021

DDI announced their plan to hire more than 140,000 delivery drivers by the end of 2021.

"DDI is proud of our role to create these entrepreneurial opportunities for drivers," said DDI's owner and CEO, Aaron Hageman. "Delivery drivers have always been essential but especially this year, we've seen a demand for more drivers across all industries, from grocery to e-commerce."

During the pandemic, millions of Americans experienced unemployment, reduced work hours, or even furloughs. The Congressional Budget Office's Economic Outlook for 2021-2025 expects that employment will not return to pre-pandemic levels until 2024.

Businesses across industries turned to delivery services to adapt to the pandemic restrictions and purchasing behavior of their customers. With the growing gig economy, delivery drivers as independent contractors quickly surged and became a way to help people earn money and enjoy the freedom of being an entrepreneur.

DDI's national driver base was four times larger by the end of 2020, and projects significant growth in 2021 as more companies expand into delivery. As companies see the consumer demand for delivery, they will need to implement their own independent contractor delivery model and will turn to a partner like DDI to streamline their business.

ABOUT DELIVERY DRIVERS, INC.

Delivery Drivers, Inc. (DDI) was founded in 1996 and is a third-party administrator with a singular focus – to bring Human Resource and Driver Management solutions for business owners operating with independent contractors. DDI's mission is to serve, provide advocacy and leadership to the millions of 1099 entrepreneurs in the global gig economy. DDI's business model helps companies find and onboard top quality driver-partners and assist with accounting and tax services – all while providing compliance and legal expertise.

For more information, visit: www.ddiwork.com

Business Growth Prompts the Relocation of SCI and ADAPT Payroll to a New Larger Facility in Downtown Glens Falls

Subcontracting Concepts, LLC, (“SCI”) and ADAPT Payroll announce the relocation of both companies to a new state-of-the-art facility at One Broad Street, Glens Falls, NY to accommodate their continued growth.

SCI is celebrating its 25th year in business as the largest third-party administrator in the final-mile delivery market. For over two decades, SCI has called the greater Adirondacks its home. An increase in business, staff, and the creation of Adapt Payroll necessitated a larger and more modern space.

One Broad Street Plaza is 20,000 sq ft. of newly renovated office space in the heart of the downtown area. SCI worked with Mark Levack, of Levack Real Estate, in obtaining this new space. Mark has been locating commercial and residential spaces in the southern Adirondacks for 35 years.

“When the team at SCI approached me, I was enthusiastic to begin the process of finding the next location for the SCI group. One Broad Street Plaza is symbolic in many ways for SCI. It represents a return to where it all began almost 25 years ago. SCI will be more central in the community than ever before. This new property will allow SCI to continue its growth and prosperity.”

Peter Fidopiastis, the current President and General Counsel of The SCI Group said, “I have been a part of the Glens Falls community my whole life and am proud to call this region my home. SCI’s return to Glens Falls reinforces our Company’s commitment to being a community-focused company that wants to grow locally as we continue to expand our business nationally. This new larger modern-facility will provide an improved work environment for our employees to continue delivering quality service, and provide highly innovative products to our customers,” “The owners and employees of SCI are proud to contribute to the local economy that has supported our businesses. We look forward to continuing our upward growth in the logistics industry and sharing our success with the local community. We want our customers, our competitors, and our city to know that we are better than ever, and that we are here to stay.” **CLDA**

ABOUT SCI:

With more people turning to last mile delivery as their primary means of acquiring goods, the gig economy has become more important than ever before. SCI remains the premier solution for supporting the independent workforce that keeps last-mile deliveries moving. Please visit sciadmin.com and adaptpayroll.com for more information on the services and programs the SCI Group provides to businesses throughout the country.

Ship-Right Solutions Rebrands as ShipRight

Ship-Right Solutions, a full-service fulfillment company that provides local, regional and national clients with outsourced shipping, customer engagement and delivery solutions, has rebranded as ShipRight.

The work was undertaken in response to the tremendous growth of e-commerce before and during the pandemic, and the need for greater clarity regarding the company's various service offerings.

Updates and changes include a new URL and website at shipright.biz, a new logo, collateral suite and social media presence. The changes more accurately reflect ShipRight's ability to help support and market its clients' products and provide home delivery to customers in an increasingly online sales environment.

Users of the new website can easily select the information path most pertinent to their needs from order fulfillment, contact center and final-mile delivery. For clients there is a password-protected portal allowing access and management of all their product information from inventory to shipping to returns.

"It's an exciting and relevant time for ShipRight to rebrand and refresh its online presence", said Drew Graham,

President and Founder. "We've successfully provided order fulfillment and customer engagement for the past 20 years, and recent marketplace changes have only accelerated the need for our services."

"ShipRight was founded to help our clients' businesses succeed and win in the marketplace," said EVP and Partner Todd Flaherty, "and we think the new tagline **Our goal is your success** more accurately reflects that mission."

"Ideally we would love to do more with Maine based businesses", said Graham. "Maine has a rich and varied entrepreneurial environment which has only increased during the pandemic as individuals and companies recognize they no longer have to be located in major metropolitan areas."

CLDA

ABOUT SHIPRIGHT

Headquartered in South Portland, Maine, ShipRight provides customer service and ships products worldwide for local, regional, national and international clients, allowing them to focus on the growth of their businesses. ShipRight offers scalable, turnkey, outsource solutions through its experienced staff, established systems, state-of-the-art technology and well-positioned infrastructure in Maine and New Hampshire.

Developer of Elite EXTRA and Co-Creator of Beacon Builds New State-of-the-Art Campus

Advanced dispatch software Elite EXTRA and full service TMS solution Beacon is now being developed out of a new facility in Northwestern Wisconsin. Applied Data Consultants, co-creator of Beacon and developer of Elite EXTRA, added a three-story, state-of-the-art building onto its campus in Eau Claire.

The building features a large atrium, which houses stadium seating for company meetings, a large balcony overlooking green space, and an event center. Given the groundbreaking was held at the beginning of the pandemic, the company installed safety equipment for better airflow, as well as work stations that provide additional space for its team members.

The campus also remodeled its existing buildings to accommodate a rec center with a full bar, ping pong room, gym, golf simulator, shuffleboard, pool table and a basketball/wallyball/volleyball court.

According to Founder and President Jim Ward, the new facility will provide a better space to innovate, meet, work and play for team members.

"Our vision was to create a work space that allows our team room to grow, innovate and collaborate, and to have fun at the same time," said Ward. "We're thrilled with how it turned out, and were fortunate that we had time to modify the plans to accommodate safety measures that will serve us now and into the future." **CLDA**



What's New From the New York State Messenger Courier Association

Larry Zogby, CEO of RDS Same Day Delivery, recently took over the reigns as the newest president of the New York State Messenger Courier Association. He presided over the association's first board meeting in January, leading a discussion on ways to add more value to the members. "In spite of the pandemic, I am a firm believe that good things can always come from a crisis," he said.

The association committed to presenting at least seven virtual educational events and plans on having an in-person holiday event next December.

"The members of The NYSMCA are excited by the new format and we are experiencing great success and high attendance," says Zogby. "The driving factor is great educational content and very strong government affairs committee."

Below is a snapshot of the virtual meetings:

In January, the Workshop topics included:

- Covid 19 Vaccine Update for the Transportation Industry
- Best Practices on How to Leverage PPP & The Employee Retention Credit, Presented by Mark Lenski, of Tarlow & Co. CPA, PC
- Updates from our NYC & New York State Lobbyist

In March, the Workshop was about

- Best Practices for Maximizing Loan Forgiveness Under the Pay Check Protection Program, presented by Bruce Blasnik, CPA CGMA, Partner PKF O'Connor Davies LLP and William M Merz, IV, Vice President of Commercial Lending, The Westchester Bank

In April, the Workshop was about

- Mitigating Risk & Compliance Through Technology, Presented by Corrine Zennou, of Paycom

In May the Workshop was about

- An Alternative to The Independent Contractor Model, presented by Jeffrey Newhouse, Newhouse Law PLLC **CLDA**

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- Tempo Transportation LLC
- Tforce
- Valley Courier Delivery Service
- Washington Express, LLC
- Xcel Delivery Services

Interested in contributing to our advocacy efforts?

Contact Hana Watkins,
hana@clda.org

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

Thank you!



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