

REGIONAL ALTERNATIVES

with **Rob Shirley**



Is Same-Day the New Express Standard to Deliver a Package?

Ownership is being replaced by relationships because of the sophistication of the Internet, telecommunications and data management.

It wasn't too long ago that the term "rollup" meant buying and then building a collection of independent businesses that were doing the same thing, but in different markets, into one brand. Sometimes it was the first regional or national brand of its type, and in other situations, it was designed to compete with established brands.

If you open the yellow pages in any medium or large city, you will find a wide variety of companies that you haven't heard of offering transportation services. If you are a frequent shipper (or recipient), you may have time to meet with lots and lots of carriers and evaluate them on service, quality, flexibility and price, but most don't have the time or, for that matter, the expensive team to make the analysis. So, how do they select? Most take the easiest path and go with a big brand.

Mark McCurry started A1Express Delivery, picking up and delivering same-day packages in greater Atlanta in 1997. He formed an affiliate network to create standards and offer reliability for services like his throughout the US and branded them as 1-800Courier in 2008, offering an impressive call center and personalized service.

He hasn't bought a single affiliate and has over 300 carriers in his network.

National manufacturers and distributors are interested because they want to provide faster service as a competitive differentiation and they don't have time to judge every carrier themselves. Essentially, they want to outsource that work.

1-800Courier has created a virtual, third-party logistics company built on relationships with carriers and shippers. We have all heard the phrase "think global and act local;" Mark's network accomplishes that goal and increases the speed limit.

Thirty years ago, I was a Sales Rep with Federal Express introducing overnight delivery for the first time to prospective customers in Houston. Their reaction was often, "Why would I want to ship overnight?" This was before small computers, fax, cell phones and the web. Often the decision to upgrade to overnight was made by executives in sales, marketing or finance outside of the logistics organization. The early adopters were manufacturers, distributors and retailers of technology,

Key Considerations

- ▶ Technology is key all the way to the driver level to keep the customer happy and coming back
- ▶ Most courier companies are either focused on pool distribution (route structure to deliver to the same customers the same products every day or on a specific day) or they offer on-demand service. Mixing the two makes keeping high quality and profits very difficult
- ▶ Flat rate of the same price for the same distance and same weight in multiple different markets is impossible to balance with quality and profitability for each carrier in the network
- ▶ About half of the business is in the major metro areas of NYC, Chicago, LA and San Francisco. If the area has a lot of taxi cabs, they probably have a lot of same day delivery couriers too
- ▶ Making it easier for shippers to ship is definitely a benefit
- ▶ The quality of service is in direct correlation to the owner's involvement with the business
- ▶ Same-day delivery is a competitive advantage for manufacturers, distributors and retailers

medical and high-value per pound products or high-end services reacting to customer requirements. Speed was a factor then; now it is a competitive necessity.

If same-day delivery became the new standard to deliver rapidly, the changes in the global supply chain would be significant. Technology, global trade and the acceleration of transportation are natural partners in this ongoing evolution. ■

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