

REGIONAL ALTERNATIVES

with **Rob Shirley**



Creativity Is a Team Sport

Our industry has been rolling since the wheel was invented in Mesopotamia (Iraq) about 5,000 years ago.

Three years ago, Hot Shot Delivery, Inc's president, Eric Donaldson of Houston, Texas, launched a freight rescue program for LTL and TL carriers to avoid getting stranded overnight or, worse, over the weekend with freight that can't be delivered until the next business day. Donaldson says, "Our freight rescue program has been a huge success. Trucking companies can off load from one pallet to a trailer load at our facility 24 hours a day to free them up to get another paying load, and we will deliver their

load [the last mile] the next business day for a flat rate. This is a true win/win/win scenario. The trucking company wins by getting loaded and thus paid, the customer wins by getting their freight delivered on time, and we win because we get to be the hero."

"Success consists of going from failure to failure without loss of enthusiasm." Winston Churchill ■

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Try these innovative ways to serve the market. This is really the essence of the benefits of capitalism in a free society.

LUGGAGE: Remarkably, over one percent of all luggage is lost or delayed in some fashion. Everyone you know has a story. In the middle of this is a huge unclaimed baggage hub in Alabama, a Bill of Rights for passengers, insurance, baggage claim departments, YouTube videos, sorting, scanning and tracking systems. Even Andrew Price, who heads the Baggage Improvement for IATA, had his own luggage lost or delayed seven times. Google "Lost Luggage Story," and you will see 700,000+ entries. Over 31 million bags were late, and almost two million never arrived last year.

TRAFFIC: Pollution, cost of fuel and time is wasted every weekday (250 days/year) in every medium to large city. Putting a small dent in this would be fantastic; reducing it by 50% would be priceless. There are many solutions that have helped, including mass transit, coordinated traffic lights, GPS, telecommuting, toll roads, carpools, Telematics, fuel-efficient vehicles, video conference calls, flexible hours for non-peak commute times, etc. There are fortunes to be made here by solving this (not to mention saving the environment). The only benefit of the recession is a slight reduction of traffic; however, when we get back in full gear, traffic will again be a huge problem.

PARCEL AND EXPRESS: DHL's evaporation from the US domestic market leaves only two dominant national/global package carriers. I can't think of another big industry that doesn't have three players (well, maybe Microsoft/Yahoo vs. Google). The barriers to entry (as DHL found out) are massive in capital, labor, regulations, equipment, landing rights, etc. Somehow, there will be a third major, but that is yet to be seen. Will the key be technology to link thousands of regional parcel carriers with LTL players? Will air freight or airlines play a major role? Is a rollup of the hundreds of carriers the answer? Will the USPS privatize as we have seen in Europe? Our calculations indicate that FedEx and UPS now have a total of less than three percent global share of the worldwide \$3.5T+ logistics industry. From

that perspective, it is still fragmented.

SUCCESS IN CREATIVITY: The web and 3G mobile are continuing to expand in ways that are saving me money. Here are a few favorites:

1. **Free 411** – Call 1.800.GOOG.411 for business connections anywhere in the US. Google will ask the city/state and biz name and then connect you. If you prefer text messaging, use text to query your listing to GOOGL (46645). I am also testing Google Voice, which connects all of my phone numbers into one master for easier connectivity.
2. **Very good hotel deals** – I recently stayed at the Mark Hopkins, Intercontinental Hotel at the top of Nob Hill in San Francisco — \$109/night. It was superb with a view of the Bay. I found it using www.HoteliCopter.com
3. **Free global calls** – From your PC or advanced mobile devices, try www.Skype.com

THE KEYS TO CREATIVITY FOR YOUR ORGANIZATION:

1. **Listen:** Your customers will tell you what they want. Ask your own team of employees and contractors for their ideas.
2. **Write down your ideas:** I keep a notepad next to my bed, it is amazing what I see written down some mornings.
3. **Reward everything:** Ideas, solutions, pleasing customers, employee referrals, saving money and strong vendors.
4. **Lead by example:** Send your customers thank you notes on handwritten note cards. I have seen some of these on customer bulletin boards seven years later. Invest 10 minutes a day, and you will produce three or four at a cost of \$2/day.