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SMALL BUSINESS

Couriers push the envelope on what they carry

Technology zaps document delivery; shift gears to haul large retail purchases

BY JUDY TEMES

THE CONTAINER STORE, MANHATTAN'S newest big-box retailer, has solutions to cramped city living—nifty closet organizers, stainless steel garbage cans and plastic storage boxes by the dozen. But try getting it all home on the subway!

Enter Select Express and Logistics, an old-style Manhattan courier company that, like New York retailing, is in the midst of a major makeover. In recent months it has signed on with several of the new big-box stores to deliver the things that city dwellers can't haul home on their own.

DETOUR

Life after document delivery.

PROBLEM: Document delivery decimated by fax, e-mail and recession

SOLUTION: Shift into new businesses, including storage and delivery for retailers

"We see a lot of our future growth coming from retail," says Jay Waldman, Select Express chief executive. His small business is on track to gross close to \$10 million this year, from just \$2 million in 2002. He expects that 70% of the growth will come from his new retail customers.

Delivering for retailers is just one way that New York's couriers are rebuilding businesses battered first by fax machines, and then by desktop printers, e-mail and the re-

cession. Document delivery has dropped by as much as 30% since the advent of e-mail, according to the New York State Messenger Courier Association.

Right stuff

"Two-thirds of what I did is now gone," says Robert Wyatt, president of Manhattan-based Lightspeed Express. "All that's left is 'stuff.'"

For a growing number of companies, though, storing and delivering that stuff is proving to be a lucrative new source of revenues, especially in Manhattan, where time and convenience are highly valued commodities.

Couriers are now in the same-day delivery business, picking up and delivering everything from film to window treatments, books, file cabinets full of paper and, for a growing number, bulky items carried by the city's newest retailers—big boxes like the Container Store.

Some couriers, like Norman Brodsky's Brooklyn-based CitiStorage, also store and archive documents—a business that's grown to \$20 million a year. Others are delivering critical parts for broken computers, ATMs and cash registers. For both Lightspeed and Select Express, retail is now a critical new business.

Breaking the routine

The trick is to get away from routine envelope delivery, which has become a commodity business with couriers competing on price, says Mr. Brodsky. By offering something of special value, whether it's short de-

livery windows, or the ability to track packages or even to warehouse them, business owners can get a firmer grip on their customers.

One of Select Express' edges is that it promises customers a three-hour delivery window almost around the clock. For many stores, it offers wrap-and-pack shipments as well.

Select Express' delivery fee is generally between \$15 and \$20, which is charged to customers. Lucy Witte, director of sales and marketing at Dallas-based Container Store, says customers don't bat an eye at the price. "It's not much more than a cab ride," she says. "The price is what's driving the volume." Three months into the store's debut in Manhattan, it is already booking about 100 deliveries a day.

With clients like Bed Bath & Beyond, Buy Buy Baby and Restoration Hardware locked up, Mr. Waldman and his partners are pounding the pavement looking for new business; high on their list are the two new Home Depot stores opening this summer. And as more big-box stores enter the market, Mr. Waldman expects business to grow 25% a year for the foreseeable future.

So far, the company's focus on retail and customized solutions seems to be working. But as Select Express continues to expand, it may have to watch its back. Competitors are learning that New York shoppers want their stuff and are willing to pay good money to have it fast.

Mr. Waldman says he's not afraid. "Business is about competition," he says. "The guy who does the best job wins." ■

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