



Tracking at \$23 million in sales a year and growing,
 Select Express & Logistics' Jay Waldman speaks with Messenger Courier World

by Mardy Sitzer, Bumblebee Design & Marketing LLC for Messenger Courier World



MESSENGER COURIER WORLD: Would you share with us how you got started in the courier industry?

JAY WALDMAN: I started out with an eye on a law degree at the University of Maryland. I began working my sophomore year for Eddie Katz at Choice Logistics making deliveries in Washington D.C. I became a commissioned sales executive because as I was making those deliveries I asked about local messenger service and picked up new business. As the volume grew I started hiring I.C.'s to help out. Choice soon opened an office in Washington D.C. and I began working there full-time while still full-time in college.

With mentoring and support from Eddie Katz, my role at Choice continued to grow. To assist in the opening of their business in Boston, I moved up and transferred to Northeastern University. I fell in love with the business world and left pre-law behind and got two degrees – one

in marketing and the other in transportation. After graduating in 1979, I opened Choice's San Francisco office and later returned east to run their division in Washington D.C.

I returned to New York in August of 1982 and started my own company, Contemporary Courier. I had opened 3 offices for Choice and felt ready to do it for myself. A year later, Errol Cvern, a friend since 1969 who later became my brother-in-law, joined as a partner. Errol was a CPA and brought to the partnership attributes that I lacked. We worked together for 13 years in New York City serving traditional courier accounts like law firms, printers, advertising agencies and others with on-site and on-demand service. In the early 1990's we opened a branch in New Jersey; by 1995 we were making 4,000 deliveries a day. At that point we sold the company to U.S. Delivery, one of the first consolidators at that time.

MCW: Why did you sell the company?

JW: There were a number of factors. Joining U.S. Delivery was an investment decision as well as a career opportunity. Contemporary had reached \$10 million a year and I felt we had hit a wall. Their offer was substantial, and I had concerns that the consolidators with national reach could start to eat into our local market. I was 37 years old, still young enough to learn and young enough to start over if I wanted.

MCW: What did you do after you sold Contemporary Courier?

JW: I became the General Manager in New York City for U.S. Delivery, then Regional V.P. and by 1999 was their Chief Operating Officer. U.S. Delivery at that time was a \$400 million a year company. I was gaining experience and learning how public companies operate. (U.S. Delivery was sold to Corporate Express, subsequently spun off and eventually renamed Velocity Express). I resigned June, 2001.

MCW: What did you do after leaving U.S. Delivery?

JW: I joined Select Express & Logistics in January of 2002, which had been started by Errol Cvern and Joe Gallo, who had also been with us at Contemporary.

MCW: What was going to be different this time?

JW: Our vision was to pursue a market that was beginning to emerge but had not yet taken hold – home delivery. The courier industry was changing and the need to move paper was diminishing. We noticed a change in consumer behavior with increased internet sales such as Amazon.com. We believed that there was an opportunity to grow in the home delivery business. We also felt we could create a market in New York City by offering home delivery for retailers. The ability for people to go shopping and have their items delivered rather than haul them around the city or back to work seemed like an opportunity that no one was addressing. We believed we could create the demand by offering cost effective same day service, ranging from drop off to white glove service for on-line sales and Manhattan retailers.

We quickly grew by adding furniture stores, pharmacies, home healthcare equipment, sports equipment, specialty supermarkets, hardware, apparel and more. We even obtained a NYS liquor license so that we could legally deliver alcohol for liquor stores.

Adding home delivery to our service mix was a change, but we were able to re-engineer our operation, leveraging our existing assets and knowledge to create a new business model that had great potential. It allowed us to be more attractive

to I.C.s and messengers as now we were servicing a longer day and more days and able to offer more flexibility. Retail's peak periods are evenings, weekends and holidays when businesses drop off. By having these extended hours staffed we were also better able to service our corporate and business accounts with rush and emergency deliveries.

MCW: What challenges did you face changing your business model from traditional messenger courier to handle home delivery?

JW: Our biggest challenge was customer service. We had to make operational and cultural changes to serve this market. This was a radical departure from a law firm calling and requesting an envelope be picked up at one location and delivered to another. The intake calls took longer as the instructions were more detailed.

The background checks on our drivers had to become more rigorous as they were going into people's homes and had to have a broader skill set to assemble furniture and set up equipment. We make deliveries that range from dropping off with a doorman to going into someone's home, installing equipment and removing the rubbish – which had another layer of requirements to comply with city and state laws.

This service was a natural for New York City and as we expanded, we found it was needed in other cities and in the suburbs. Lawn furniture, flat screen TV's, swing sets are just a few examples of suburban delivery. We quickly became an asset to chain and large box stores as well as to individual retailers.

By the spring of 2004 we opened our first accounts outside NYC, in Springfield, NJ and then in Middletown, NY. They were 70 miles apart and didn't have the volume like our Manhattan customers. We needed to build up volume quickly along with it a network of drivers and with other delivery companies to partner with. By 2007 we were servicing more than 600 stores from Virginia to southern New England providing on demand delivery within a 3 hour window.

MCW: What are your plans now?

JW: We have gone national serving luxury retailers such as Saks and big box retailers such as Best Buy and others. We deliver food every night to peoples' homes for specialized diet plans. Our annual revenue is tracking at \$22 million a year with 80% in retail and healthcare home delivery.

Moving forward we intend to continue growing by adding accounts, reaching deeper in

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our existing accounts and adding additional services. We haven't even scratched the surface and intend to expand our home delivery service into store replenishment programs.

MCW: How do you feel about the current market conditions and economic climate?

JW: Current market conditions are difficult. I have lived and operated businesses through rough economic times before. Our economy will recover and life will go on. In the meantime, we have to sell more aggressively and add new accounts. We need to maintain and improve service levels; and find ways to reduce operating costs.

Long term the prospects are bright. As the population continues to grow our services will be needed more and more. Eventually the real estate market will recover and people will buy homes again. That means more deliveries of furniture, gym equipment, hardware, swing sets, etc. With an aging population there is a trend in healthcare for patients to recuperate at home requiring medical deliveries such as prescriptions, walkers, oxygen tanks and other medical support equipment.

MCW: How do you see technology impacting your business over the next five years?

JW: Technology is impacting with improved routing efficiencies; it is easier to communicate with customers; our delivery instructions are more accurate; and managing more volume is easier. An example of the direction in technology is with one of our clients. When you go in to one of their stores you don't get a shopping cart – you get a scanning gun. As you walk through the store you scan your purchase items. At the check out the data from the scanner is transmitted directly to our delivery system. This store's studies revealed that by offering home delivery the size of the sale was several times higher than without. Customers who don't have to lug their purchases are more inclined to buy more, so by offering home delivery we help the stores generate more revenue and make more profit.

MCW: How do you retain and motivate your staff?

JW: We recognize that better people bring better ideas and better execution. We don't hire for what we need now but for what we are going to need in the future. We also

don't hire for positions. We see it like drafting the best athlete and know that he/she will make a place for them self on our team. We look for qualities like integrity, values, energy and smarts. These candidates will find the right job in our company.

We pay well, acknowledge often, and show our appreciation. We create a work environment that is a place where they want to be. We have staff 10-20-30 years – dating back from my days at Choice Logistics and from Contemporary Courier. Select Express & Logistics might not be the right fit for many people, but for those who DO fit, we want it to be the very best place it can be.

MCW: What is the best part of your job?

JW: I love the feeling of building something, of creating something from nothing and growing it – like raising a child. There is great satisfaction in this. Also knowing how I've positively impacted others' lives. How many mortgages we pay, how many educations we support, how many healthcare plans we provide. This is the greatest feeling.

MCW: With such a large and growing company, how do you keep your life in balance?

JW: I have a great wife and three wonderful daughters, ages 19, 17 and 16. My family is central in my life. We like to travel and I love live music – jazz, rock, folk and more so we often travel to music festivals.

I have the freedom to integrate my work life and my family life. I can work from anywhere and stay connected. Having great partners and a great staff really helps. This allows me to stay connected but not overworked and the freedom to spend time with my family.

MCW: What role, if any, has the MCAA played in your professional development?

JW: I have always been a member of MCAA. I learned early on from Eddie Katz, a very giving person and a great personal mentor. The MCAA allows me to share with colleagues on issues that affect us all. This past May at the Roundtables I found to be most helpful and discovered new market ideas that I hadn't thought about. The conventions help me develop partners and agents and meet with important vendors. We need all the advocacy we can get and the MCAA does an amazing job on this front on our behalf. I couldn't imagine not being a part of the MCAA! **MCW**

