



An Unconventional Staffing Solution

Helped This CEO Grow from \$0 to \$120 Million

- Sean Magennis: I'm going to bring up Jim Bennett and Don Schiavone. Jim is the CEO of Unishippers. It's a full-service logistics provider with over 90,000 customers, I believe, Jim. In 1997, he became a franchisee for Worldwide Express. He built the company literally from zero, and I know some of you have also done this, to \$120 million. Don helped him align and really focus on his company on a meaningful acquisition and he will talk to us about the keys of growing \$100 million business and what he did with it from there.
- Don Schiavone: Welcome, Jim, and I had the pleasure of working with you and seeing you grow a business over 21 years it took you to achieve \$100 million in revenue, and a lot of our entrepreneurs that we coach have that goal. We're about high growth and achieving that high growth. Can you share with us in that journey from zero to 100 million? What are some of the key drivers of success?
- Jim Bennett: Absolutely. Well, first and foremost, I have a great relationship with my wife of 31 years, and when we got married, the deal was she wanted to stay home and raise kids. We have six beautiful children, all highly successful, and I wanted to go out and run a business and I said, "That means I'm going to have to put in long hours. I'm going to have to travel and I'm going to have to do what it takes to become successful." So we had a great working relationship going into that.
- Jim Bennett: Now, once the business started, my ideas of what it took to be successful changed and evolved all of the time. The first thing was getting to \$5 million in sales, and getting to \$5 million in sales was seminal because it proved out the business model of what I had. How was I going to go about it? I had this little model now. The key was to go around the country and replicate that model.
- Jim Bennett: So what I did is I built playbooks for every single position inside of the company. I defined an interviewing process, and our interviewing process took roughly two weeks for you to get through. It involved a first phone interview of half an hour, second, a face-to-face interview of 45 minutes to an hour. Third, it involved are our target candidates spending a day in the field with either a sales manager or a field sales manager. Fourth, they had to go back and write a business plan on what they would do being one of our candidates.

Jim Bennett: And then we took the business plan and we reviewed it, we got with them, we refined it to make sure that they truly understood all the key economic drivers, and then they spent a day in the field with either our VP of sales or myself.

Don Schiavone: So, let me interrupt there because I think something that was very innovative about your approach, talk about the training program, but just the way you went about scaling a large sales force, talking about the types of people, the age group, and how you went about finding quality candidates. Very, very innovative.

Jim Bennett: Right. Early on, I was hiring everybody. I was just hiring everybody and trying to get them trained up and we had success, but I saw that there was this one particular group of people, and that was college athletes coming right out of college, who were used to having a playbook, who were used to going and practicing hard every day, and who are used to going out and competing.

Jim Bennett: So then we said, "Okay, here's our defined candidate. We're not going to go out of that defined candidate." Yeah, we missed out on some spectacular candidates that weren't in our mold. But what we got was a certain basic level of candidate that we could work with and train up and they could be highly, highly successful.

Jim Bennett: We first put them through a basic sales training class. Then, they spent two days a week for the next six months with either a field sales manager, a sales manager being trained. After six months, they came back for basic sales training for a week. And at the end of their first year, they came back for ACE training. So, during their first year, they were getting between three and four weeks of in-classroom training, and then they were getting two days a week with either a field sales manager or a sales manager, curbside coaching them, coaching them out in the field.

Don Schiavone: And just look at what we just heard from DiJulius. A lot of our new workers aren't getting the training that they need. And these are brand new college graduates and you put them through this rigor.

Jim Bennett: Yeah. What I learned is, my company, we sell transportation logistics, but that's not who we are. That's not who we are at all. We are a sales training and development company. We train and develop people. That's what we do. And the result is we get highly successful people. We taught these kids, and here's what we promised them. They would get the best sales training, entry level sales training, they could get in the world.

Jim Bennett: And here's why: we were going to teach them how to sell to only presidents, owners and CFOs. Only those three people, only those three titles would they ever meet with and sell to. Once you've got that skill and once these kids are 23, 24, 25 years old, have that skill, they feel like King Kong. They feel like that there's nothing that they can't accomplish.

Don Schiavone: And one of your keys to success is obvious the passion you felt around your mission. I mean, it's a very highly competitive shipping, but it's like you said, it's about the training and providing these kids with a career because they didn't stay long, right? I mean...

Jim Bennett: Yeah. This is transportation logistics. It's a commodity. We're competing against literally 10,000 brokers out there who are doing exactly the same thing that we're doing. The thing that we decided to do differently was we are only going to meet at the highest level, whereas everyone else was meeting with shipping managers, and we're going to train and develop these kids.

Jim Bennett: Now, as John said, everybody's going to move on, and these kids typically would move on around the three-year mark, unless they moved up inside of the organization. One thing that we promised everybody was we would not hire from outside any position above a sales rep. All of our field sales managers, sales managers, vice presidents, everybody came from within the company and started off at the sales rep position.

Jim Bennett: Now, what do these kids go on and do? Well, I've got at least a dozen kids who I can say run their own successful businesses right now. We were a huge feeding ground for the pharmaceutical companies, so kids would come, their first year they would make 60 to 80 grand with us. Second year, 80 to one 120. Third year, 120 to 200. Then lo and behold, pharmaceutical would show up, say, "We'll give you 200K base," and out the door they went. But they got the great training and we got the great production out of them.

Don Schiavone: And I think one of the keys there is focus. Number one was focused on your target acquisition channel. And so, even another example is who do you talk to to actually get these candidates? It wasn't a recruiter, it was the athletic directors.

Jim Bennett: Yeah. Listen, we were so precise in the way we went about it. We had internal people as well, as our sales managers, go out into the field and meet with not just ADs, but the coaches. Now, picture us going in and talking to the football coach in the beginning of the season. He doesn't want anything to do with us, but come December, January, we walk into that head football coach or whatever coach is, their office and we tell them, "Listen, here's the training program that we have. Here's what we can do for your kids." And they were overjoyed to have us in there and really thankful that we could provide an opportunity for some of their athletes.

Don Schiavone: That's amazing. And you think that to scale and do that to get to over a hundred million in revenue, you had to be very good at churning through employees and developing that kind of process and that focus and the specific and measureables to manage that workforce.

Jim Bennett: Yes, we did. KPIs were everything for us. Everybody got a report card on a weekly basis. We had eight key reports that came out on a weekly basis, but there was only one report that everybody really focused on and that was... First of all, we ran 13-week races every quarter, and at the end of the quarter we had a winner. And it was all about contests, but every week they would get to see where they were and where they stood against everyone else inside of the company in gross margin. Not in sales, but in gross margin. Gross margin is what pays the bills, and we wanted them to have a connection as to how they got paid and how the company got paid.

Don Schiavone: So it's a classic example of the flywheel that takes a little energy to get it moving, but once you define the processes that will move that wheel, it keeps growing and growing and growing, and then just adding more fuel through your recruiting efforts. Excellent.

Jim Bennett: Yes, it really was. Once we got the momentum going, it was great. But let me tell you, we faced some serious struggles. We're all supplier based, and four times we had suppliers either nearly go bankrupt or go bankrupt. And in 2009, our biggest supplier, and we were doing about \$45 million in sales, our biggest supplier came to us and said, "Listen," DHL, "We're going out of the United States. We're leaving. You have 30 days to find a new supplier and get all of your customers and shipments out of our system."

Jim Bennett: So inside of 30 days, my sales went from \$45 million down to \$8 million. I had a choice to make. All my in-laws were like, "Just take whatever have in the bank, fold up shop, get a job. You've got some good cash in the bank." And I turned to them and I said, "Like hell." We got a new supplier in UPS. And UPS, the margins were nowhere near what we used to make, but UPS was an operations focused company, which meant that we were going to be able to drive sales like nobody else's business and retain it.

Don Schiavone: So, if you look at kind of the key themes I've heard from your talk here is number one, very much like what we heard from President Bush, focus on family first. Number one, setting those expectations with your wife. Understanding what it would take being as entrepreneurs, you need to commit some time, but making sure that you have those discussions.

Jim Bennett: Absolutely. One of the things that I realized along the way was I didn't know everything. Okay, and this was a really key, important factor in my growth. I started reading, I read Jim Collins' Good to Great, transformational book for me because that was at the time that we started to really focus on college athletes. Then, I had another point in time where I said, "Listen, I got to get better at what I'm doing," and I joined EO.

Jim Bennett: EO was fantastic for me because I got to go to these great conferences, see great people, and I met Jack Daley. I immediately hit it off with Jack Daley. Jack Daley was the keynote speaker for two of our conferences and he became a

consultant for our company. And what he did is, he came in and he said, "Wait a minute, you already have playbooks?" And he's talking to all my salespeople. "You already have playbooks and this is the kind of training that you're getting? What is your problem?"

Jim Bennett: What he did was validate what we're doing at the highest level. Then, one day Jack turned to me and he said, "Listen, you really ought to get some coaching. I know this guy, Mark Moses over at CO Coaching International, and I think you would hit it off great with them." I spoke to Mark, Mark put me in touch with Don. Don and I actually worked with Sheldon, and I worked with Don and they really helped me grow the company.

Jim Bennett: There was a key point in time where we hit about 80 million in sales and we were growing fast, but we hit this point and we couldn't grow because our attrition rate was so high. We had 19% attrition, and we just couldn't outgrow it.

Don Schiavone: In customers attrition?

Jim Bennett: Customer attrition. And my friend here said, "Listen, let's get John DiJulius involved." So I met with John and he told me about all of his customer experience programs and I said, "Listen." He said, "Listen, why don't you try it out for a year?" I said, "We're going to commit to three years right now." And I turned to every single person in my company, I said, "We are committing to a three-year program because that has to be the difference between us and the other 10,000 people who are out there selling our customers."

Jim Bennett: So we hired them, and in 18 months our attrition rate went from 19% to 3%. Our sales went from 80 million to 120 million. We immediately got noticed by large private equity firm, and I had an exit of over a hundred million dollars, and...

Don Schiavone: Well, then. Jim, fantastic. Thank you for sharing that. I think two key points. Two key points that I'd like to summarize. Number one is perseverance. Just as Sharon had mentioned before, I mean, there's a lot of things that happen in our businesses. Jim had the perseverance to stick through them and see them through.

Don Schiavone: Second, focus. Every step of the business as it changed, as he had to deal with things, focus on my target for hiring, focusing on process, focusing on the customer experience. Not all at once. One thing at a time, move that flywheel faster and faster, and a great example of getting to over a hundred million sales. Thank you, Jim.

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