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Zipline Logistics Grows to Become Next Fast-Growth Logistics Firm

Upstart experiences double-digit revenue growth by building trust

Zipline Logistics of Columbus, Ohio has the growth trajectory every small business owner dreams of: the firm is on track to become the next fast-growth company in logistics.

Founded in 2007 and originally housed on the second floor of a Chinese restaurant, Zipline started up with a seemingly double whammy-- entering a crowded market during a recession. But its partners worked hard, built solid relationships, and brokered 1,000 shipments its first year. Revenue reached \$1.7 million.

The word got out about Zipline, and income almost doubled in 2009 to \$3.2 million. Receipts topped \$4.4 million in 2010, and revenues are headed toward \$10 million in 2011.

The four-year-old company recently moved and tripled its office space, expanding staff from six to 14 employees. It also added McLeod transportation software to aid in its expansion and capability efforts.

Doubling revenues each year is always a good thing, but it's even more telling in an industry hit hard by the recession. Trucking grew only .7 percent in 2008, dropped to -8.2 percent growth in 2009, and rebounded just 5.7 percent growth in 2010, according to the American Trucking Assn.

So the key question is, how did partners Andrew Lynch, Edward Williams, and J.J. Rodeheffer do it? They claim their success formula is quite simple: focus on doing what's right, treat clients and customers fairly and honestly; pay carriers on time, and value long-term business relationships over one-time transactions.

The partners met while working right out of college for a national logistics company. After learning the ropes, they were able to achieve levels of performance in the industry that were at the top of the ladder. But despite their success, they were dissatisfied with their employer.

They literally sketched out the Zipline business plan on a napkin one night in a Midwest tavern. "We were comparing notes and saw a company married to profits to the detriment of customer relationships," said Rodeheffer. "We thought that was unfair, and knew there was a better way to do business."

Rodeheffer said he and his partners saw clients paying high rates because they needed a premium service and quality equipment, and their employer consistently matched customer freight with the truck that provided the widest profit margin.

“This regularly occurred regardless of the promises made to that client,” he said. “We also saw carriers that delivered premium service after investing heavily in quality equipment and highly-professional staff who had their rates depressed due to competing rates from carriers who weren’t making the same investments or providing the same level of service.”

The men understood that there was a need to carve out a “service-first” segment of the transportation market. “We decided treating people fairly and ethically while focusing on service to both the vendor and client would set us apart from our competition,” he said.

That’s why, despite a depressed freight market and the tightest business credit market in decades, Zipline is trending toward more than 10,000 shipments this year. “We’ve managed that growth without ever losing a single client,” said Rodeheffer. “That’s something we’re extremely proud of.”

From the beginning, the partners designed Zipline based on core principles of respect; communication; honesty; placing integrity above profit; accountability; delivering on all commitments; professionalism; valuing knowledge; partnerships; and sacrificing to serve others.

“When we formed Zipline, we didn’t know we were building a purpose-driven company,” said Rodeheffer. “From the beginning we wanted to go beyond the almighty dollar and take care of people. No matter what it takes, we don’t stop until the shipment is there. And we believe in making a price commitment that sticks.”

A recent Zipline customer/carrier survey indicates they are succeeding in establishing trust. One hundred percent of Zipline carriers think Zipline is courteous and

respectful; 99.7 percent of Zipline shipments are claim-free; and 100 percent of Zipline carriers agree that Zipline always builds relationships with them based on honesty, integrity and loyalty.

“We incorporate our principles every day in an intense and sales-driven, yet fun and friendly environment in the office and in all of our community endeavors,” said Rodeheffer. The firm also works with the Columbus Chamber of Commerce to provide training internships that can lead to permanent jobs.

The third-party logistics company handles truckload, less-than-truckload and rail shipment delivery across North America.

Zipline Logistics, LLC was named one of Columbus, Ohio’s top 50 fastest-growing companies in 2010 by *Business First* magazine. The third-party logistics company handles truck and rail shipment delivery across 48 states and Canada. For information, go to www.ziplinelogistics.com or call (888) 469-4754.

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