

Accounts of Achievement...

A Case Study Featuring Translogistics, Inc.

The Company...

When Scott McDevitt was a nine-year old boy growing up in northeast Philadelphia, he sold flowers on the street corner to earn a few bucks. Today, Scott reflects on that time as his earliest memory of wanting to start his own business. In January 1994, Scott realized his life-long dream with the launch of Translogistics, Inc., a transportation outsourcing company marketing to manufacturing and retail companies. After graduating Lycoming college in Williamsport, PA, Scott went to work for Roadway trucking company in operations and later in sales. He learned the skills necessary to manage and operate a transportation company during his six-year tenure at Roadway. Just one day after he left the company, Scott started Translogistics, Inc.. Today, as president and founder of Translogistics, Scott leads 28 employees, including a leadership team of five. When he started the company, Scott felt confident in his decision; he was young, his wife was also self-employed, they were debt-free, and he had first-hand experience and knowledge of the industry. But after a few years, he began searching for ways to take the business to the next level. The sales people were not generating enough new business; revenue was good, but stagnant. He invested in a consultant and, as Scott puts it: "Forty thousand dollars and eight weeks later, there were no results." Later he turned to books and other easy to obtain resources looking for answers. But Scott could not find a solid solution; he needed to make changes and even began to doubt his own abilities as a leader and business owner.



*Scott McDevitt
President and Founder
Translogistics, Inc.*

The Challenge...

The challenge Scott faced seemed simple enough to resolve: hire productive employees and increase revenue. However, continuous turnover in sales people was proving to be costly and inhibiting new sales. Scott also knew he was spending too much time solving reoccurring problems and answering repeat questions; he felt as if he was better off just doing things himself. Again, the self-doubt became an issue. He was losing confidence in his ability to teach and train and blamed himself for the failure of his sales people. After the futile experience with the previous consulting firm, Scott was skeptical about turning to outside facilitation for training and development again, but, taking corrective action had become a prerequisite for securing a profitable future. Scott recognized he could not do it alone. When LMI Partner, Michael Gidlewski called on him, Scott was still reluctant, and it took months before he finally agreed to meet Michael and learn about the *LMI Process*[™]. Scott told Michael about the difficulties he was experiencing in hiring the right people. Scott confessed he did not know where to start in planning a clear path for the company's future. He shared with Michael his frustration with the company's flat revenue as well as miscommunication among the staff. For the last few years, revenue was idling comfortably between \$10.5-\$10.8 million dollars. For Translogistics, Inc., revenue was not growing significantly, but the number of problems were on the rise.

"I knew how to train and teach, but I wasn't looking at employees' strengths and the right-fit for them in the company."

- Scott McDevitt, President and Founder,
Translogistics, Inc.

“Without a compelling vision, a powerful mission, an effective strategy, and an organizational goals program cascading down to every level of the organization, you are doomed to stay in the status quo.”

- Michael Gidlewski, LMI Partner

The LMI Process™...

In 2004, Michael Gidlewski introduced Scott to the *Profile Evaluation System*® and explained the importance of focusing on employee strengths and determining right-fit. They first evaluated the members of the sales department and, based on the feedback from the *PES*, Scott divided their responsibilities into two groups: logistics account managers who maintain the business, and logistics consultants who bring in new business. Next, Scott and the vice-president of the company completed the evaluation tool, and in a collaborative effort, another LMI Partner, Rich Lewine, assessed the results for them. Scott began to make other positive changes in the company based on the outcome of the evaluations. He restructured the sales staff from salary based positions to commission plans. The new hires were dedicated and committed, with strengths that made positive contributions to the company. Continuing the process, Michael and Rich facilitated a four-day goal setting retreat with the leadership team. Shortly thereafter, communication noticeably progressed on all levels and there was a renewed clarity of direction. Decisions that had previously taken four hours to make were being resolved in 15 minutes and with more effective results. Scott said, ***“It feels good to be running the company, instead of the company running me.”*** Scott was encouraged and chose to move his leadership team into another phase of the *LMI Process* -- planning the vision, purpose, and mission for the company by participating in *Effective Organizational Leadership*™. The team began by writing a vision statement of where they envisioned the company to be in the next five years. Through the process of the *EOL*, they clearly defined a goal to be a \$50 million company with 60 employees by 2010. Further development soon followed as three managers took part in *Effective Personal Leadership*® facilitated by Nancy Lewine, Rich’s business partner, while Michael implemented the *My-Tyme Success Planner*®. All levels of the organization were becoming an effective part of the process.



The Difference ...

Now in the second year of the *LMI Process*, Translogistics is reaping the benefits that Scott visualized. In 2004, revenue increased by over \$2 million dollars from the previous year. And in 2005, it grew again, by approximately \$1 million dollars. The company is well on its way to achieve this year’s goal of \$14 million in total revenue. More importantly, the gross profit margin went from 21 percent to 23 percent in the last two years. Since implementing the *LMI Process*, Translogistics’ net profit has soared from 2.1 percent to the current 5.95 percent. Improving the hiring process by using the *PES* has saved Translogistics, Inc. approximately \$1 million dollars. The placement of an Operations Manager, rather than a customer service manager, proved to be a valuable decision for the company. Earlier this year, the company made a profit on every single shipment in a one-month period as a result of the right person managing the customer service department. New software is currently being developed that will benefit clients by allowing them to manage their own budget reports, schedule shipments, and analyze invoices. Further sales training has helped Translogistics shorten their sales cycle from 12 to 24 months to just 3 months. The results are endless and Scott has a crystal clear vision for the company which has been communicated to all employees. The open communication allows the entire staff to work toward shared goals. Scott continues to execute the *LMI Process* throughout the entire organization. The company is in a transitional phase, moving toward bigger goals and profits. Scott says, ***“I feel like I’ve started my business all over again, but this time with the right tools and the right knowledge.”***