

Marc Coben and Bob Sylvester of
Reliable Runners.



RELIABLE RUNNERS: SUCCESS THROUGH INNOVATION

It started, appropriately enough, with technology. “It was 1985, and I had decided it was time to start my own business. The question was, *what business?*” recalls Marc Coben. “I was watching television with the guy who would become my first partner. *60 Minutes* came on, with a feature about bicycle messengers in New York City. We looked at each other and said, ‘We could do that here!’ It was just one of those moments.”

Today, Coben is president of **Reliable Runners** (Cleveland, OH) overseeing an expedited delivery and logistics powerhouse with over 50 drivers, a brand new headquarters/warehouse complex, best-of-breed technology supporting every aspect of the business, a buttoned-up new management team ... and yes, bicycles.

by Mark H. Davis

“Our goal is a total logistics solution for every customer, regardless of size or need – from envelopes to truckloads. Anything from outsourcing a customer’s current dispatch activities, to distribution and fulfillment solutions, to scheduled and on-call delivery,” says Coben. “Whatever it takes to get time-critical materials from one place to another.”

Raising the Bar

“My original partner’s father was a prominent attorney in Cleveland, and well-known throughout the business community,” recalls Coben. “So at least we had some introductions. The rest was up to us.”

Reliable Runners actually operated out of that lawyer’s office for the first year, before moving to space downtown. The choice of name was very much part of the business plan.

“Expedited delivery services in Cleveland were pretty unsophisticated. A lot of drivers didn’t present themselves well and we decided our niche would be superior service and the image of reliability,” Coben explains. “The two of us were out making sales calls while we were making deliveries, so we were clean-cut and well dressed, and as we started hiring drivers, they were, too. We focused on professionalism, on looking better and performing better.”

One of their first clients was Al Lerner, driving force behind MBNA and later owner of the Cleveland Browns. Reliable Runners’ assignment: pick up copies of the latest business magazines from Hopkins International Airport when they arrived in Cleveland, and deliver them to Lerner’s private jet waiting on the tarmac at a different airstrip.



rRunners
RELIABLE RUNNERS
WWW.RRUNNERS.COM

We want to be the beginning, middle and end of each customer's supply chain.

“Mr. Lerner wanted to see the latest business news and trends before his competitors,” recalls Coben. “So before they even hit the local newsstands, we’d deliver them to his jet in time for his commute to Baltimore. Today, the Browns are still a client, along with companies like Forest City Enterprises, American Greetings and Lincoln Electric. That’s what it’s still all about: giving our customers an edge.”

“We’ve been using Reliable Runners for many years and have never been disappointed in the service,” reports Linda Moore of Forest City Enterprises. “The messengers are great, the service is prompt, the price is right and we have never had any billing problems. I highly recommend them to everyone in need of a ‘reliable runner.’”

Trust: Build It and They Will Come ... and Stay

Over the first ten years, Reliable Runners grew to prominence in the region by focusing on two fundamentals: building customer trust with outstanding service, and turning that trust into long-term relationships. When customers called, they knew with whom they were speaking, and the dispatchers knew the customers’ voices.

Reliable Runners Vice-President Bob Sylvester joined the company in the early ‘90s.

“I started driving for Reliable Runners in law school,” Sylvester remembers. “Even then, I

was starting to bring in new customers. After I graduated and passed the bar in ‘96, I realized my heart really was in this business and decided to stay on. On the first day I made sales calls, I met two customers: Guardian Title and the architectural firm of Herman Gibbons Fodor. And they’re still customers today.”

They’re not alone. Well over 1500 active clients, including many Fortune 500 companies with operations throughout the U.S., count on Reliable Runners for everything from on-call delivery to complete 3PL solutions.

“I have been dealing with Bob Sylvester and Reliable Runners for years and I have never been less than thrilled with the service I have received,” shares Sonya Coulter of The Shamrock Companies. “Everyone I have dealt with at the organization has been extremely pleasant and always gets the job done.”

With growth came change. Reliable Runners moved from one room downtown through a series of larger headquarters with increased warehouse space as they outgrew each location.

That’s when the revolution really began.

Superior Technology Rules ... Superior Service Wins

“We’ve always looked for ways to provide better service and run the business more efficiently ... an edge that the competition

COBEN TIPS FOR SUCCESS

- Customer service is always paramount. Everyone has to live and breathe it every day.
- Invest in the best staff you can find. The return on investment is customer satisfaction.
- Stay ahead of the technology curve. At least one of your competitors will be.
- Networking is the most powerful form of advertising ... and usually the least expensive. Use it.
- Always try to win on service, not merely on cost. Just trying to be the cheapest will never get you the clients and long term relationships you really want.
- Design your operations so you are the easiest company your customers can work with. That lets them know you care about their success too.



didn't have," observes Coben. "That's why we embraced technology so early on. You need to get on the bus ... or get run over by it."

The company tested everything that looked promising, establishing itself as a beta site for software. "It was very frustrating at first, but we never looked back. When 'Push to Talk' (PTT) cellular service hit the scene, Reliable Runners was an early adapter. We were customer number 300-and-something with Nextel."

The tech wave took two forms: infrastructure and communications technology to improve business performance and efficiency, and Internet technology to give customers online access to Reliable Runners' services.

Drivers moved from "open radios" to cellular-based communications, then to PTT and eventually adapted one-way and two-way RIM pager e-mail. As the technology matured, efficiency grew. Today, the company's 50+ drivers are rolling with PTT cell phones with e-mail and GPS tracking. And later this year, they'll start transitioning to mobile handheld computer terminals that include total communications, signature capture and barcode and RFID capabilities.

"Internally, we're using the best state-of-the-art technology available, so we can design custom solutions that deliver added performance, better ROI and total logistics support to every customer," notes Randy Cargill, Reliable Runners' new operations manager. "We can give them real-time delivery data, status updates and online reporting."

The intelligent computer-aided dispatch system integrates GPS, order entry and mobile data,

constantly updating incoming orders, yet-to-be-dispatched orders, driver locations, destinations and more to ensure accuracy and timeliness.

It also enables a great many critical, industry-specific transportation solutions. In health care, for example, Reliable Runners has just 60 minutes from the moment of contact to deliver emergency blood supplies to area hospitals. It's not uncommon for the call – and the delivery – to be made while the patient in need is still on the operating table.

Working The Web

The other side of the technology coin is the face the customer sees: Reliable Runners' sophisticated, customer-centric Internet presence.

"We were one of the pioneers. We started taking orders via the Internet almost eight years ago. It just made common sense at the time," says Coben. "If we could convince customers to reach out to us via the web, we could give them real-time reporting features and convenience, reduce the errors inherent in order-taking by phone, and set the stage for a much more effective operational environment."

A professor at Cleveland's Case Western Reserve University wrote the original software for ordering and invoicing. Later, the company migrated to an early version of DataTrac.

"Customer order entry was the first big goal," recalls Coben. "The ability to place orders online was huge. We were totally committed to it. In fact, we were so confident that this was the right way to go, we actually gave computers away to clients in return for a two-year agreement."

In late 2000, the company began development of its own enhanced web application, based on CXT Software's X Internet



RELIABLE RUNNER SUCCESS FACTOIDS

Reliable Runners has been in operation since 1985 and it ...

- Operates 24/7/365.
- Has doubled in size over the past five years.
- Manages over 30,000-square-feet at new headquarters located just outside of Cleveland, Ohio
- Services over 1,500 active customers.
- Has over 50 drivers traveling well over two million miles annually, delivering customers' products and materials across the continental United States and into Canada.
- Offers a variety of services: on-demand rush deliveries, scheduled deliveries, routed deliveries, distribution, dedicated driver (truck/van/car), expedited freight, line haul, LTL, TL, warehousing, next flight services and bike messenger service.
- Counts among its customers some of the most established businesses and well known brands in the country: medical/pharmaceutical, banks, manufacturers, distributors and shipping companies.
- Maintains state-of-the-art technology leadership, including web-based tools to provide customers with real time information, reporting, e-billing and payment functionality.
- Developed industry specific solutions for medical, pharmaceutical, expedite freight, inventory/parts management and distribution.

product, to further enhance customers' online experiences. The result was *eZrunner*[™], Reliable Runner's proprietary, web-based order entry, tracking and reporting tool. Simply by clicking on www.rrunners.com from their desktops, customers could get instant quotes, place and track orders in real-time, maintain delivery records, receive electronic invoices and more.

Long-time customers see and appreciate the benefits Reliable Runners provides. According to Daniel Ciccarelli, Reliance Title Agency, "I am approached at least twice a month by courier/delivery companies trying to

obtain business. But the service – and especially the user-friendly website, with ordering, tracking and other services – makes it so easy to schedule and request deliveries. Add to that their on-time record; I don't have any intention of using any other courier service."

Tina Marchetti of Goodman, Weiss, Miller LLP, Attorneys at Law, agrees. "Reliable Runners is a great way to get things done fast. I place an order on *eZRunner*[™] and within minutes the courier is here to pick it up. It's so fast and easy, why do it any other way?"

Rolling upgrades enhanced the offering with more security and a

Success Story

better user experience. Then, to help entice customers to use the website and become comfortable with it, the company rolled out Runner Rewards™: a simple point-based incentive program. For every dollar spent through eZrunner™, the customer earned reward points that could be redeemed for certificates good at national brand merchants, airlines, hotels and more.

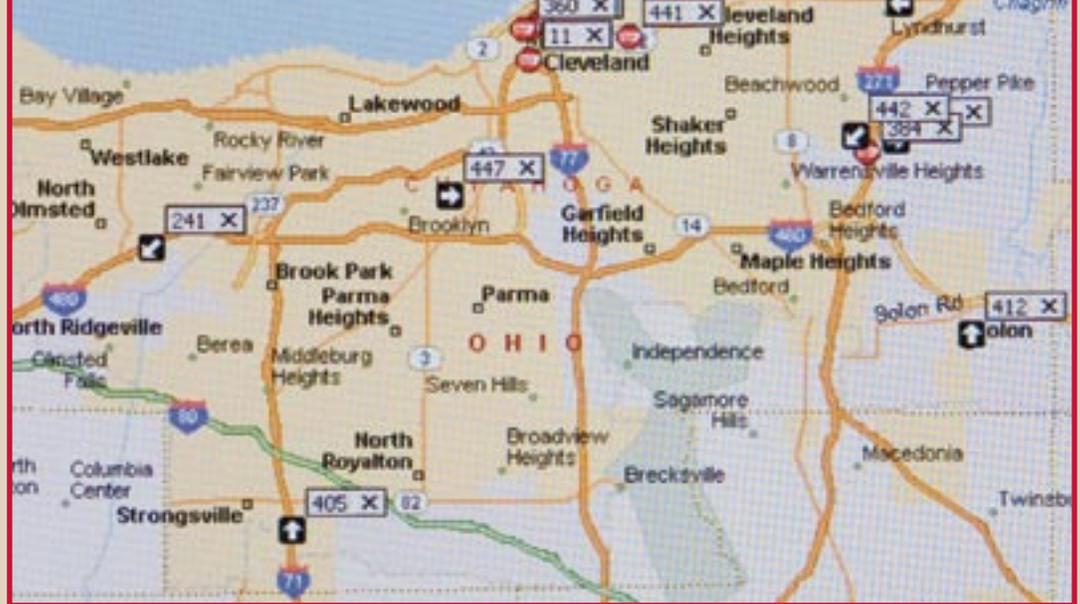
And in 2006, Reliable Runners will be rolling out the third iteration of eZrunner™ on a newly revamped website. “It’s a total account management solution. From order entry, tracking and reporting to billing and electronic payment, eZrunner™ is all they need for total control, online convenience and complete transaction security, including electronic payment.”

The simple fact is, since launching their major web-based business initiative, Reliable Runners has more than doubled its business volume, yet handles it with fewer order takers. Along with internal costs, errors have been reduced, and all those savings can be passed on to clients in the form of more competitive rates and enhanced services.

And it’s not just cost and efficiency. Moving to a more “paperless” environment helps Reliable Runners and its customers observe a more environmentally conscious business model.

The Revolution Continues

“Reliable Runners is our name and our original mission,” affirms Kevin D. Kovitch, Reliable Runners’ recently appointed sales manager. “But even as we look at the positive impact of technology on that mission, we know that it’s also changing the marketplace in



All Reliable Runners drivers are equipped with PTT cell phones with e-mail and GPS tracking.

ways that are forcing us to look at our business model again.

“It’s not enough to be a terrific expedited delivery company. We have to help every client – from entrepreneurs and e-businesses to Fortune 500 companies – continue to achieve competitive advantage by driving down inventory and warehousing expenses, reducing transportation costs and improving customer service. We want to be the beginning, middle and end of each customer’s supply chain.”

So today, Reliable Runners focuses on fleet outsourcing, warehousing and distribution, fulfillment, reverse logistics and 3PL solutions. The entire management team has been re-organized to embark in that direction.

In 2005, Reliable Runners dedicated its new corporate headquarters just outside Cleveland, OH, which includes 20,000-square-foot of ultra-modern, climate-controlled and totally secure warehouse space with plans for expansion. That allows the company to offer flexible inventory storage and distribution, and reduce customers’ warehousing labor, insurance and facility costs. And the company is now implementing software that will actually allow customers to view

and manage their inventories via a web connection.

Also new is Reliable Runners’ on-site fleet maintenance facility, which will enhance both the company’s fleet outsourcing capabilities and courier efficiency. “When you really stop and analyze the total cost for vehicle acquisition, fuel, driver and mechanic payroll and benefits, vehicle parts and maintenance, collision and liability insurance, workers’ compensation and management time, Reliable Runners really can transform the cost equation for in-house dispatch and fleet ownership,” explains Kovitch. “Plus, our drivers can have their vehicles serviced and take out a replacement right here, so we don’t lose a driver for a day.”

Still Good to Go

Over two decades ago, Reliable Runners set out to revolutionize expedited delivery in Northeastern Ohio. Today, the company is revolutionizing the way clients address a whole range of integrated logistics challenges. With warehousing, fleet transport, technology and experience.

Still doing whatever it takes to get time-sensitive materials where they belong ... for less.



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