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ENTREPRENEUR

Movin' on up

Clark & Reid Company Inc.



Don Martin, president and CEO of Clark & Reid Company Inc., is implementing innovative business strategies and services to grow his executive relocation company, which was established in 1902.

W. MARC BERNSAU / BUSINESS JOURNAL

Innovations in service and operations fuel relocation company's growth

BY SEAN MCFADDEN
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BILLERICA — Don Martin has kept his century-old independent moving company rolling along by reinventing the wheel

— through new business practices and services.

The 49-year-old president of **Clark & Reid Company Inc.** says, "One of the big lessons for me is, change is good. When I first took over the organization, I don't think I had that view. ... Change can be unsettling, but at the same time, it can be exciting and invigorating."

Martin assumed the reins of the Billerica-based business in 1984, following the death of its previous owner, his father, Donald Martin Sr. The company is now co-owned

FAST FACTS

Don Martin is the third generation of his family to serve as president of Clark & Reid Company Inc., an independent moving company specializing in executive relocations.

The company performed 2,900 domestic moves and 550 international moves in 2006.

Clark & Reid was ranked No. 1 in five categories in an independent, nationwide 2007 survey of relocation managers conducted by Trippel Survey & Research

CLARK & REID: Exec relocation

by Don and his brother, Gary, who serves as vice president of fleet services.

Clark & Reid specializes in “high-end” executive relocations — transferring employees for corporate clients — which constitutes about 90 percent of its business. Clients include Fidelity, Pfizer and Johnson & Johnson.

A growing area has been moves for high-end residential customers, which now accounts for 10 percent of the business.

The company is on track for \$28.9 million in revenue this year after \$27.5 million in 2005 and \$28 million in 2006.

Clark & Reid, which has 148 employees, plus 25 owner-operator drivers, performed 2,900 domestic moves and 550 international moves in 2006.

Yet, it’s a challenging business, Martin admits: Recruitment of qualified drivers and movers in a tight labor pool remains an ongoing issue. Also, the moving industry is traditionally a seasonal business that sees the greatest demand for its services between the months of May and September. And there are several factors that can affect profitability, such as labor, insurance and fuel costs, along with pricing pressures for service.

“Quality is an important component of our brand, so we’re very selective in the drivers we recruit,” says Martin.

Adding to the company’s pressures were a handful of significant account losses over

the past 16 months, due to client acquisitions and mergers.

At the same time, in making a careful review of customer profitability, the company made the decision to sever ties with a few long-term client relationships.

“It wasn’t something that was commonplace in our organization,” Martin explains. “We agonized over it, saying, ‘We’re cutting out a chunk of revenue here.’ Now, the challenge was, ‘OK, we obviously need to replace that revenue with more profitable work and execute on that.’”

The company actively pursued new business, bringing in about 11 new accounts of varying sizes over the last year, including VMware Inc. and TD Banknorth.

A key challenge for his organization, says Martin, “is product development and innovation: What more can we do, or what other services can we provide, that will generate revenue, besides strictly moving?”

Linda Bauer Darr, president and CEO of the American Moving and Storage Association, based in Alexandria, Va., says, “Innovation is becoming almost a requirement for success in this industry, because it’s an industry that has very clear and distinct peak seasons.”

In 1987, Clark & Reid launched an international division, based in Chicago, for executive relocations worldwide. The company has partnerships with close to 200 other moving companies around the world

for the purposes of this service.

More recent innovations included a utility conversion service, by which the company coordinates same-day conversion of utility services, such as electricity, gas and cable, at no cost to the client. For some high-end residential clients, Clark & Reid provides an on-site concierge service — a company representative will serve as an interface between the driver and the customer, at an additional cost. And several years ago, the company ventured into in-home furniture delivery for brand-name dealers through the launch of a fine-furniture services division. Martin says that service has given his drivers an opportunity to perform less rigorous moves and extend their careers in the business.

Tim Hughes, CEO of Movers Specialty Service Inc., a Montgomeryville, Pa.-based relocation services firm that has acted as a business partner to Clark & Reid, observes, “Don spends much of his time involved (in) working out the short- and long-term strategic goals for the company. He welcomes new ideas from his office staff and his driver fleet.”

Martin says he’s actually looked outside the moving industry for employees in recent years, recruiting sales, marketing and operations talent from such diverse industries as manufacturing and technology.

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