

REGIONAL ALTERNATIVES

with **Rob Shirley**



Some Like It Hot

I just ordered *Going Rogue: An American Life* by Sarah Palin and *Under the Dome* by Stephen King from Walmart.com, brand new in hard covers, normally \$28 each, for only nine dollars per book, delivered.

How on earth can delivery be free? Walmart, with revenue in the \$400 billion annual range, is getting tired of Amazon's rapid expansion beyond books and gaining ground with \$69 billion in annual revenue. They are using every weapon, especially their tried-and-true discounting, to gain share.

The web is now forcefully changing the landscape in the transportation business, and the impact for shippers and carriers is enormous. At the PARCEL Forum this October, some of the hottest questions were on rate increases, with FedEx, UPS and USPS all saying increases will start on the same day (January 4). In addition to matching the timing for a rate increase, USPS had the most interesting news of a probable elimination of Saturday delivery starting January 2011 and the revelation that despite the economy, market growth in B2C was expanding.

For the entrepreneurs to skyrocket, they need to be visible to the shippers with a formula that is beneficial to both the shippers and the carriers. Somehow, this will manifest itself on the web, amphibiously morphing into a new style of "rollup," where the entrepreneurs remain independent but are accessible en masse to shippers. The web gives visibility to prospective shippers that carriers haven't met yet, but very few shippers are going to use a different website for every carrier for each shipment.

As an analogy to this, AT&T and MCI ruled in the early 1990s with phones that were tethered to landlines. Along came regional cellular entrepreneurs with a better mousetrap. Jim Barksdale became the President of McCaw Cellular, and I heard him tell the CA Communication Commission that if the good Lord had intended phones to be connected with wiring, it would have been at the end of our umbilical cord. He was not only right, he became the CEO of Netscape, later kicking the Internet into high gear. Local cell phone companies had demand but also had a severe limitation of not being able to transgress cell usage as a traveler moved through their networks. The cell phone companies realized that linkage between them would be better for all.

One signal of demand in our industry is the marketplace event that matches shippers with carriers in a well-organized

The Heat is Turning Up

- ▶ **Rate increases** again this year, with even the USPS in the mix
- ▶ **Ancillary surcharge increases** (fuel and dozens of others) from UPS and FedEx
- ▶ Major retailers sometimes **waiving shipping fees**
- ▶ DHL evaporating **domestic USA service**
- ▶ Fuel seemingly destined for perpetual **increases**
- ▶ Continued high **jobless rate**
- ▶ Ongoing independent **contractor vs. employee** issue
- ▶ **Rapid increases in technology** from the web, GPS, software and mobile
- ▶ Entrepreneurs, who are the regional carriers, innovating, turning on a dime and using ever **less expensive technology**
- ▶ The **\$3.5T** (yes, trillion) that is spent for our industry globally

series of quick session interviews, but it only occurs once a year (next marketplace is April 2010 in Dallas. For more information, visit www.expresscarriers.com).

Here are two recipes for you; both are complex and very hot:

A Bowl of Fire called Chili from here in Austin that was originally cooked in Texas prisons and has been fine tuned by my dad. His quote, "If you want vegetables in your soup, make it; my chili doesn't have or need any."

Cajun Gumbo that is full of shellfish and spices. Thick, smoky and sensual. If you've been to N'Awlins, my original home town, this is lagniappe. If you haven't been there, try this and you will know why Mardi Gras means Let the Good Times Roll.

I will email the recipes to you at no cost, no delivery fee, no surcharges or tax and include a full money-back guarantee. How is that for a little something extra? ■

ROB SHIRLEY is CEO of ExpresShip with a focus on global strategy using technology. Contact him at Rob@XPship.com