

External translation of *Transport Routier's* September 2010 feature article

## Nationalement local

Simard Transport wants to expand its logistics horizons by developing its niche as a national carrier specializing in local deliveries. | BY STEVE BOUCHARD

In the transport scene in Quebec, Simard Transport occupies a distinct niche. The 6th largest carrier for hire in Quebec, as per *Transport Routier's* Top 25 of Road Transport is defined as "local nationalism", its specialty is to take over the delivery of the last 150 or 200 kilometers. And the expression "take charge" can be best chosen for this Lachine enterprise that more and more, tends to offer turnkey services to its customers.

Simard's President, Peter Abraham, has worked with the company for over thirty years. His brothers Ferris and occupy respectively the positions of Executive Vice President and Vice-President of the Quebec Division. It is their father, Michael, who in 1964 acquired L. Simard Transport, from Laurier Simard, a shareholder of the company at the time. The letter L was removed from the name some years ago.

Peter Abraham is proud to be able to count on a strong team of employees who are team players and loyal. Joe Vanelli, VP Sales, "part of Simard Transport for over 25 years, and he is not even 48 years old," the president smiled. As for drivers, "when they work for a year with us, they are usually with us for very long," says Abraham.

A national carrier with local impact, Peter Abraham said: "Our specialty is to take care of last mile delivery. We have facilities at the national level, in Montreal (Simard Transport), Toronto (Sim-Tran) and Vancouver (Westlink), and even if the capacities of each are different, all three offer the same local transportation services, container transportation, storage and unloading of containers on a regional basis. "

Park Simard has 1,203 units, including 64 specialized units, the highest total of the top 25, confirming its position as carrier specializing in local delivery. The company is also recognized as one of the largest container carriers in the region of Montreal. "We are also very active in intermodal transportation and the importation logistics," adds Peter Abraham.



## UNDERSTANDING THE NEEDS AND RESPONDING

The statement may sound cliché, but Mr. Abraham affirms with conviction that "the customer is the most important thing for Simard". For him and his team, it is important to establish a personal relationship with its customers, "to understand their specific needs".

### **ABRAHAM's RECIPE: a field of local action coupled with a national presence.**

In a changing world, Simard continues to evolve towards new markets and to become more integrated and focused towards creating value for its customers.

"Canada became a country of imports. The volume of local manufactured goods to be transported has declined dramatically," says Peter Abraham.

To adapt to these new realities, Simard has developed partnerships with major players in the retail industry, becoming a virtual logistics service provider for them.

"We support many aspects of their logistics," says Abraham. "Not only do we deliver to their stores, but we also, for example, transport the container on arrival at the port of Vancouver, do the stripping, load them into intermodal trailers based on customer needs and deliver them to the appropriate warehouses. Depending on the level of urgency, we decide to transport the goods to the warehouses by rail, by using our trucks or other carriers. "

This comprehensive care may also include real-time tracking of goods, shipping reports, etc.

### **VERTICAL INTEGRATION: Peter Abraham envisions an integrated approach to meet the needs of Simard Transport clients and ensure its growth.**

## AN EVOLVING TECHNOLOGY

This approach has of course led Simard to invest heavily in technology. The company worked with Ceritar, a Quebec firm to first implement a warehouse management system, and then a transportation management system.

Peter Abraham said: "We have developed software that allows us to see all our orders across the country, in a common database shared by our three facilities." All the information is easily accessible via the Internet and the software is connected to a BlackBerry application.

"The system tells the driver that a container is ready to be picked up. It then goes to our terminal to pick up a container. He simply presses a button on the BlackBerry and we know in real time, that he has arrived. He then departs from the terminal and informs us of his arrival at the customer, always in real time via the BlackBerry, and so on for all stages of delivery process and all this information is displayed directly on the dispatchers' computer screens. "

This method has the effect of reducing substantially the number of calls from/to the drivers. In addition, Simard and Ceritar made sure that the software is sufficiently flexible to meet the requirements of transporting full as well as partial loads, "two sectors where the application requirements are very different." The system ensures

Simard that pickups are indeed made, that the appointments are respected within customer delivery windows and that coordination with rail services is set like clockwork.

## ADVANTAGES AND LIMITATIONS OF INTERMODAL

The intermodal road-rail occupies a prominent place in Simard's operations. While environmentalists criticize the underutilization of intermodal, Peter Abraham warns that one must be realistic with this approach. "Over long distances, intermodal reduces costs. But in for example in the corridor between Toronto and Montreal, profitability and efficiency make it a no go in many instances".

Intermodal has become a present reality for long journeys, since the vast majority of containers originate in Asia and make it across the country, are transported by rail from west to east and vice versa, says Mr. Abraham.

"If you can afford the delivery service will take three or more days, intermodal is effective: why use a truck that will take three days when the intermodal will take but six over long distances?" Asks Simard's president. "However, when the transportation must be within two or three days, over the road transportation is needed."

## GROWTH PROJECTS

Simard's growth development strategy in the short and medium term sees the development of the concept of the "national-local carrier." The company hopes that this approach will also be firmly rooted in Toronto and Vancouver as it is in Montreal.

The company would also continue to improve its information systems and acquisition of information in real time to push further its integrated service offering with its customers.

"We want to explore avenues such as scanning and signature capture upon delivery. We also strive for greater vertical integration with our clients to develop a wider range of services for them", says Peter Abraham.

After Quebec, Ontario and British Columbia, Simard is eyeing the Alberta market. "If we really want to be " National-Local", we must consider this niche," says Abraham. The penetration of this new market could change the traditional approach of growth for the company. "We have always adopted an organic approach to growth. We opened our own subsidiaries in Toronto and Vancouver. But it is possible that in the coming years, Simard's growth is made through acquisitions. "

This growth should help to define Simard even more as a complete logistics service provider. The company hopes to develop similar partnerships that it has established with a major airline. Simard offers it not only a dedicated warehouse in Toronto, but also takes care of placing orders as needed and make deliveries throughout North America and around the world with his trucks or with those of partners.

"We believe that our growth will go through outsourcing and the expansion of the supply of logistics services. We are an asset based company with an interesting geographical scope, and we intend to complement these with our logistics services", concludes Peter Abraham.