

# Business Magazine



**General Colin L. Powell**  
**A Great American**

2005 Annual Report

# LOGISTICS+™

“PASSION FOR EXCELLENCE”

## Moving Freight Around the World — Around the Clock

Logistics requires keeping business operations on track 24 hours a day, seven days a week.

It means you need to know the right people.

In the right places.

At the right time.

It means not having to shut down operations for the weather.

Or an unexpected event.

It's meeting and exceeding customer demands both day and night.

That's why Logistics Plus, Inc., headquartered at the historic Union Station in Erie, Pa., is a worldwide success in the \$3 trillion transportation industry, helping companies source

and procure product, providing warehousing and inventory management, freight management and freight administration services. For the past nine years, this premier supply chain management firm has evolved into a \$40 million-a-year business, extending its customer base to 24 countries and managing more than \$250 million in freight around the globe.

In 2004, the company's founder and CEO Jim Berlin was recognized among the world's elite businessmen including Microsoft's Bill Gates and former Blockbuster Chairman H. Wayne Huizenga as an *Ernst & Young Entrepreneur of the Year*. The honor was not only a crowning achievement for Berlin, but also for his operation as a whole. The bottom line: Logistics Plus is on track and exceeding customer expectations at every turn.

“We are a worldwide resource right in your own back yard,” Berlin says. “Yes, we work for worldwide giants like GE and GM, but we affect transportation solutions for small- and medium-

sized companies as well. In fact, we can help ANY company be more competitive in the global marketplace by helping them manage their supply chain more profitably.”

### Entrepreneurship

In 1996, Berlin, a New York City native who attended the University of Buffalo, was persuaded to put his 20-plus years of experience in the trucking industry to work for then-GE Transportation Systems, now GE Rail. The company wanted Berlin on board to manage the domestic transportation of parts from more than 1,000 U.S. suppliers. As former General Electric CEO Jack Welch expanded the company's transportation operations to Mexico, then Eastern Europe and Asia, Logistics Plus — and its three-person staff — also evolved. “GE was our only customer until 1999,” Berlin says. “Now, we have more than 300 customers.”

As his customer base grew, Berlin says he had to find a headquarters that would be the right fit for the company's staffing needs. The result was the \$2 million purchase of the 100,000-square-foot Union Station building on 14th Street between Peach and Sassafras in 2003. Today, the company employs more than 100 workers worldwide, with 70-plus in the Erie area alone.

And it's still growing — at a rate of more than 100 percent a year — every year. The 77-year-old Erie headquarters is undergoing more than \$1 million in renovations, construction that will soon include the newly added LP Supply Chain Solutions and Iraq operations offices. The company also recently opened an office in Sri Lanka and has plans to

set up or expand a half dozen other locations in places as far away as China, Russia and Brazil.

“This year,” Berlin says, “my plan is to get other offices open around the world.”

### A World Apart

The Erie headquarters, which occupies the third floor of Union Station, reflects the company's global reach. Artwork from around the world — rugs from Kashmir, paintings from Japan, porcelain from China — has transformed the building into an international transportation hub rather than mere office space.

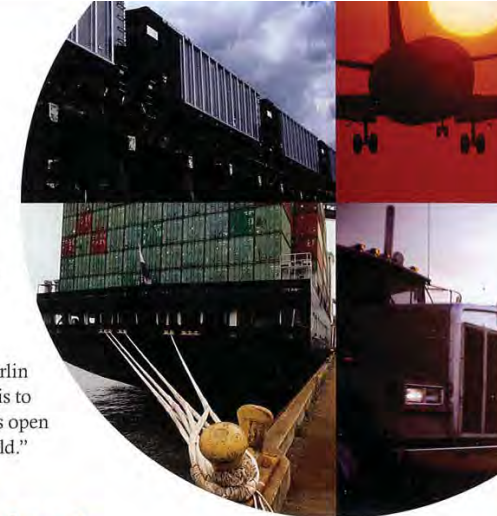
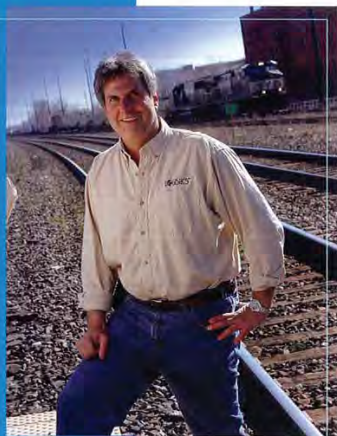
And the Logistics Plus staff is just as diverse. The company, which partners with Gannon University, Penn-State Behrend, Edinboro University and the Erie Business Center for its internship program, has employees representing nearly 30 different nationalities overall. “These are sharp, bright, energetic people,” Berlin explains.

Logistics Plus President Fred Rizzuto, who has more than 25 years of transportation experience, says that it is the expertise and hard work of the employees that make the operation run smoothly, in both the company's domestic and international divisions. Employees know the industries they are serving, foreign languages, customs issues and contacts to get freight to where it needs to be — whether by rail, air, land or sea — as well as consulting, warehousing, inventory and supplier management, procurement, consular and banking documentation.

**“We are a worldwide resource right in your own back yard.”**

— Jim Berlin

Founder and CEO Jim Berlin has turned Logistics Plus into a leader in global logistics management.





Employees at Logistics Plus are as diverse as the customers they serve, representing nearly 30 nationalities overall.

One of the biggest selling points for Logistics Plus, however, is its onsite customer support. Employees are so blended in with their customers' day-to-day operations, many people don't realize they are Logistics Plus employees. "We try to match up the right people with the right work," Rizzuto explains, "and we allow them to be somewhat entrepreneurial in their positions."

There is little sign of a hierarchy in corporate culture here. Everyone — from managers to accountants and IT support staff — pitches in to make sure the job gets done. And in the logistics business, that's what counts.

"We always succeed in exceeding our customers' expectations," says Art Whelan, vice president of corporate development. "In other words, what we do, we do well."

**The best thing is that Logistics Plus is "totally hands on. They never say, 'no.'"**

— Carmen Phillips  
Global Supply Chain manager,  
Ameridrives Couplings

Alex Gernovich, president of Erie-based Fralo Industries, says his sheet metal fabrication business relies on Logistics Plus for its same-day delivery service to save time and money. "Their service is essential to us," Gernovich adds. "Because it affects our vendor rating with our customers."

For Ameridrives Couplings, an OEM manufacturer of mechanical power transmission products, customer support is also critical for the company's day-to-day operations. Carmen Phillips, Ameridrives' Global Supply Chain manager, says the company has had a Logistics Plus employee onsite for the past 5 years to serve as a traffic manager for continental routing, billing and export services there.

"He cares about the plant," Phillips says. "He knows about the product and he's watching weights, rates. It's extremely important to our cost-savings."

The best thing, Phillips adds, is that Logistics Plus is "totally hands on. They never say, 'no.'"

Logistics Plus also provides the routing for in-bound shipments as well as some outbound and expedited shipments for Industrial Sales & Mfg. Inc. (ISM), an Erie-based supplier and manufacturer of quality machine, fabricated and assembled components. Raymond Hall, production support manager at ISM, says Logistics Plus saves the company time and manpower with its powerful network of contacts in the trucking industry and overseas. "The power that Logistics Plus carries is phenomenal," he says.

Since February, fluid power components manufacturer Snap-tite Inc. has had a Logistics Plus employee embedded as a Traffic and Export Compliance manager at the company's Erie headquarters. "We realized," says Snap-tite Vice President Gary Clark, "that we could better manage the functions of traffic, export compliance and any supply management issue by utilizing staff at Logistics Plus vs. trying to do this internally ourselves."

## Determination

From the routine to the truly mind-boggling, Logistics Plus knows what it takes to meet customer demands both day and night. On Sept. 11, 2001, the company was confronted with airport closings and diverted flights, as a 100,000-pound shipment of parts from nine suppliers in six European countries needed to get to GE Transportation Systems in Erie. Logistics Plus sprang into action, securing a Turkish Airbus 300,

so that 80,000 pounds could be delivered.

Although no landing rights had yet been granted in the United States, the plane headed west, finally being granted the approval to land in Pittsburgh. The Logistics Plus team brought coffee and doughnuts to the Turkish crew and the job was completed — on time.

"I tell that story over and over," Whelan says. "When it comes to the contribution of keeping industry moving, we are adamant about doing what needs to be done despite what obstacles might be in the way."

Just last May, the company moved 1.5 million pounds of steel piping to the Bayji power plant, 100 miles north of Baghdad, as part of the U.S. Army Corps of Engineers mission to restore electricity in Iraq by a June 30 deadline. "We came in on budget," Berlin says, "and the last truck delivered on June 28, which was a good thing because the CPA (Coalition Provisional Authority) left town June 29."

Logistics Plus' management team says that's one reason for the company's continued success and why more businesses are seeking its support.

"Given our focus on helping our customers compete more profitably, the desire to exceed their expectations, and our own 'Passion for Excellence,'" Whelan says, "why shouldn't a business consider using our services?"

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## Downtown Revitalization

Logistics Plus has been a boon for the local economy, but especially Erie's downtown. The purchase of the Union Station building, which houses Porters Restaurant & Tap Room, Amtrak and the Early Connections day care has created a much-needed face-lift in the area. The investment has restored Union Station as a city landmark and revitalized a small warehouse off 13th Street.

Rizzuto said he expects the development plans to extend over to the parking lots off of Sassafras and Peach streets as well. "We are limited only by our imagination," he says.

For now, Logistics Plus is quietly expanding and evolving as an international hub for freight management. And Union Station is a perfect fit. Every 20 minutes, trains rush past the building, many carrying the cargo Logistics Plus is shipping for its customers across the globe.

"The cool factor," Berlin explains, as a railcar of military vehicles rolls past, "is off the charts."



## Fast Facts

- + Founded by Jim Berlin in 1996.
- + Enables companies to compete more profitably in the global market.
- + Provides total logistics management, including warehousing, inventory management, freight management and administration.
- + Offers supply chain management solutions to large, medium and smaller size companies.
- + Purchased historic Union Station in 2003 for their global headquarters.
- + On track to double revenues to \$40 million in 2005.
- + Employs more than 100 people worldwide.
- + Plans to open or expand a half dozen international offices in 2005.
- + Honors include the 2003 PA Governor's Export Excellence Award; 2004 Erie Employer of the Year Award; the 2004 Ernst & Young Entrepreneur of the Year Award; and the 2005 SBDC Business Service Award.

