

# BEST MANAGED

A JOINT VENTURE WITH CANADA'S 50 BEST MANAGED COMPANIES PROGRAM

## Core values turn wheel of fortune

A wagon wheel has been hanging on the wall at Wheels Group's headquarters in Mississauga, Ont., since the company was founded in 1988 by Doug Tozer. It is a fitting symbol for a logistics company but, just like the company itself, the wheel symbolizes more than transportation. It symbolizes the group's corporate philosophy and core values built around people, customers, innovation and quality — the very core of what has led this five-time Best Managed Platinum Club member through its remarkable journey, growing since inception at an annualized growth rate in excess of 25%, into a \$300-million-a-year company.

"We started based on a few fundamentals: respect, personal achievement and fun," Mr. Tozer says. "Today, the Wheels Group of Companies, with its various divisions, provides multi-modal transportation, dedicated logistics, transload, warehousing and supply chain consulting. With more than 15 offices in North America, it is expanding into Asia and Europe to meet its customers' growing international needs. The Wheels Group has more than 300 employees, more than 400 drivers and 1,400 dry and refrigerated trailers."

Each year, the "Wheel" continues to grow. Each spoke symbolizes the strength that each person and collective team member contributes to the organization. Wheels has been one of the Best Managed Private Companies since 1997. From its inception, Wheels' management has built more than a successful corporate culture: It has invested in, and developed, the corporate characteristics of true leadership — strengthening those who depend on him or her. In the case of Wheels, it is strengthened by its customers and employees.

Wheels began as a non-asset company. "We didn't have our own trucks running up and down the road," Mr. Tozer says. "We didn't have to worry as much about the maintenance of the equipment. What we looked after was our customers' business and focused on their needs, providing new solutions as their business requirements changed."

In its early days, when the industry was dominated by single-mode transportation providers, the company examined the gaps in the trucking and railroad networks and offered a one-stop, multi-modal and services shop for its clients' needs. "Our goal was to find the fastest and most efficient way to get customers' shipments to their destinations, while keeping them on the road to success."

Between 1988 and 1995, Wheels grew from a North American business into a global one, with its services continuously expanding. Wheels sought ways to improve its service offering and help custom-



Wheels Group chief operating officer Peter Jamieson, left, and chairman Doug Tozer credit the company's success to adapting to its customers' needs.

ers improve their business success through improvements to their supply chains. "Through Doug's innovation and desire for added value, we grew from transportation management to logistics, to ultimately become a supply chain expert," says Peter Jamieson, Wheels' chief operating officer. "We've added value from a customer perspective, and have continued to grow that value equation."

Wheels has invested heavily in itself; most of its earnings go back into improving capabilities, processes and technology. It has also invested in hiring highly skilled professionals. Wheels continued to grow and was no longer just 'Wheels' but rather 'The Wheels Group of Companies,' consisting of both non-asset and light-asset operating divisions. "These operating divisions were distinct but were supported by a common shared infrastructure to ensure best practices. This shared-services division consisted of a common accounting system, HR, IT, quality and administration services. This shared-services group allows each of the operating divisions to focus on their core business while lower-

ing the overall cost structure," Mr. Tozer says.

The list of major and 500 Fortune companies Wheels has helped to operationally streamline is impressive. Wheels has provided in-depth supply chain analysis, optimization and information systems for brand-name companies such as Con-Agra Foods, Inc., known for such top brands as Chef Boyar-

**I didn't want to create a company based on one person**

dee, Hunt's and Orville Redenbacher's, as well as General Mills Canada and Sobeys. The Wheels/Clipper division provides integrated multi-modal North American services for companies such as Unilever, Bridgestone-Firestone, Goodyear, Kendal Jackson Wines, Constellation Brands, Santa Maria Foods and Roxul Insulations. The Wheels Logistics

division is a leading dedicated transportation carrier to the automotive sector, including Ford and General Motors.

"Many of our clients are looking to improve their supply chain due to service and cost issues. They may have grown through acquisitions and may have disparate supply chain systems that cannot provide timely information. They may be challenged with business growth, customer and industry demands, as well as increasing global sourcing and competition," Mr. Jamieson says.

"Wheels applies its supply chain engineering capabilities to identify areas for improvement and optimization. We can examine all aspects of the supply chain for our customers, from transportation and inventory management to warehousing. We can work collaboratively with our customers to improve their order fill rates or enhance their on-time delivery performance. We have even created a customized supply chain information portal called WheelsLink, which provides our customers with enhanced supply chain visibility. That system is now Internet-enabled

and used by our associates, customers, vendors and partners to provide timely information, customized reporting and overall performance metrics," Mr. Jamieson says. "In many cases, we leverage our knowledge and expertise to change processes within our customers' supply chains to improve their business performance and results."

"To get anywhere," Mr. Tozer says, "you need to transcend the norm." Metaphorically, Wheels has been re-inventing the wheel since its start. But instead of repeating a routine with each client, it creates a new wheel that functions with greater precision and productivity than the last. "It's an on-going journey," Mr. Jamieson says. "One in which you are continuously challenged to improve."

Mr. Tozer and Mr. Jamieson agree that Wheels' participation in the Best Managed program has been an important part of that journey. "It creates a fundamental drive for improvement within the team, because you have this significant business recognition. Best Managed creates a sense of pride among the entire team to be better," Mr. Jamieson says.

"I didn't want to create an organization that was based on one person," Mr. Tozer says. "We are fortunate that all our valued customers choose Wheels because of both individuals' and team members' efforts to provide superior service — the Wheels approach to business."

John Hughes, Deloitte partner and national leader of the Best Managed Program, says one of the reasons for Wheels' success has been the ability of its founder and shareholders to let the team run the business.

"The Wheels leadership recognized that to have growth you can't do it all, and frankly, your customers don't want you to do it all," Mr. Hughes says. In some ways, the Best Managed program followed a similar journey, becoming a team effort with companies such as Wheels running it themselves. "It's people like Doug and Peter, who come out to the events and meet the other owners and mentor the others," Mr. Hughes says. "This network across the country is helping itself learn, with great companies like Wheels helping other Canadian businesses — and that really is our objective in all of this."