

## REAL ESTATE

# Driving to the top of the industry

**Dramatic shift in dollar's fortunes is creating a new dynamic in the logistics business – and Wheels Group takes advantage**

By Karen Bridson-Boyczuk

Despite massive shifts in the landscape of the shipping business in Ontario over the past two years, Mississauga's Wheels Group continues its 19-year ascent to the top of its industry, with impressive year after year growth.

With the strength of the Canadian dollar resulting in fewer companies exporting to the United States and increased shipping activity to the Pacific Rim, the \$350 million multi-modal transportation and logistics firm is weathering the changes and continues to see growth of 25 per cent year over year.

"We have seen significant change over the past 12 to 24 months as a result of the strength of the Canadian dollar," said Peter Jamieson,

Wheels Group COO. "We're seeing a reduced amount of exports from Canada to the United States. It's really created a new dynamic." Meanwhile, as manufacturing jobs are being lost in the province,

Jamieson said he has seen an increase in raw materials going to countries like China and India to be turned into consumer goods. "We're transporting to these areas and a huge amount is coming back in," he said. "As a result, we've got congestion here and there. There's a limited infrastructure so there's only so many containers that can go on a plane."

Meanwhile, Wheels Group president and CEO Jim Davidson said he's seen the industry weather a lot of changes over his 35 year career and is proud of his company's continued growth.



Jim Davidson, president and CEO, Murray Gilchrist, driver, and Peter Jamieson, chief operating officer of Wheels Group, in front of their offices in Mississauga, with one on their trucks.  
Photo by Stephen Uhraney

"We're a Canadian company that is growing in the United States as opposed to the reverse, which we read about in the newspapers far too much," he said.

One year ago, the company purchased the American company Clipper in its continued efforts to expand across North America. "We did this to give us presence and visibility within the United States marketplace in addition to complimenting our customer base," he said.

The company was started by Doug Tozer, who remains chair of the Wheels Group of Companies, in 1988 in Mississauga. Starting with nothing, Tozer managed to build the company up into a firm with \$79 million in annual revenues by the year 2000. The private company is held by four shareholders who all live and work in Mississauga.

## Making changes

In 2001, Davidson came on board with a few changes in mind, he said. "When I came here I brought a new and different dimension to Wheels," he said. "When I first arrived it was essentially a non-asset company, it didn't own or run any of its own trucks. My own model involved running our own trucks. And that's been really successful." Within five years, the company was able to become General Motors of Canada and Ford's largest supplier by volume.

"It's been very successful on bottom-line profit generation," he said. "We have 400 drivers running today."

Still, growth into the United States remains a major focus for the company, he said. "We do have a very significant US presence," he said. "The United States, in

our industry, is about ten times the size of that in Canada. As we look for growth it's a no-brainer targeting growth in the United States.

ConAgra Foods, Goodyear, General Mills and Unilever are among the company's major clients, said Jamieson, who said with its logistics capabilities, the company is truly a one-stop shop. "Ultimately, you have to be really good at running the goods," he said.

"Something that makes us very strong is the breadth and depth of our people. We have people who are experts in all modes of transportation.

With that we can put a whole team of people... that are very impressive." The Wheels team includes people with diverse skill sets, including data analysis, engineering, supply chain analysis, business process analysis and project management.

The company says it is dedicated to attracting, retaining and developing people by fostering a learning environment and a culture committed to quality and continuous improvement.

The company specializes in domestic and international transportation services via air, land and sea, third and fourth party logistics, supply-chain consulting, supply chain implementation and management, international freight forwarding, container trans-loading and consolidation, dedicated logistics, contract warehousing and distribution, contract fleet management and supply chain information systems.

The company is divided into five groups. Wheels International is non-asset based and focused on multi-modal transportation of consumer goods within North America. Wheels Global Logistics is a specialized business unit, meanwhile, which is focused on air and ocean transactions. Wheels Pacific provides multi-modal transportation within the Pacific Rim. Wheels Dedicated Logistics provides contracted services to North American businesses. And, finally, the Clipper Group is primarily a non-asset based transportation company that offers a broad range of logistics services.