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# On the prowl

HOW ANDY CLARKE HUNTS  
FOR INNOVATIVE IDEAS AT  
PANTHER EXPEDITED SERVICES

Cover Story

Panther Expedited Services Inc.



# ON THE PROWL

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How **Andy Clarke** hunts for innovative ideas at **Panther Expedited Services**

**BY MATT McCLELLAN**

**PHOTOS BY BRUCE S. FORD**

**B**usiness is a blur in the expedited shipping industry. Andy Clarke, president and CEO of Panther Expedited Services Inc., says it's not unusual for his employees to receive a 90-second phone call, then have 90 minutes to make a pickup. 🍷 It's challenging enough to keep up in such a fast-paced industry, but Panther isn't just keeping up — it's growing and growing fast. 🍷 The 350-employee company increased its revenue to \$170.4 million in 2006, a steep increase from \$84.8 million in 2002. 🍷 As the expedited shipping business has evolved, Panther has changed to meet its customers' needs.

**“You have to be able to respond quickly and not be afraid to make a decision based on the full set of facts that you have at the time.”**

Andy Clarke,  
president and CEO,  
Panther Expedited Services Inc.



When customers wanted defined delivery times, it was added to the menu. When security was a concern for high-value cargo, Panther added security services. When air freight became a customer need, Panther bought an air freight business to expand its capabilities.

Clarke says all industries have to deal with change, but you have to adjust if you want to continue to grow and succeed.

“Be nimble,” he says. “The key is focusing on the customer and listening to the problems that they have and finding creative ways to solve them.”

Those creative ideas and the willingness to take a chance are the keys to Panther’s growth.

“Offering that type of customer experience has allowed us to be successful,” Clarke says. “If they call us and we don’t solve their problems, if they call us and we’re not creating that type of customer service, they’ll call somebody else.”

Here’s how Clarke harvests the ideas that have enabled Panther’s tremendous growth.

### **Let your employees make it happen**

Not every idea, whether it’s good or bad, originates at the top of the company. That’s a misconception, Clarke says, and a poor way to run a business.

Many of the ideas that changed the way Panther does business came from its customers, as relayed from Clarke’s employees.

The Panther professionals who answer the phones, deal with the company’s contracts and direct the company’s drivers are on the front line. So when a customer has a problem, they are instantly aware of it.

“They see things every day and come up with pretty interesting and creative solutions to challenges we’ve had in the past,” he says. “Providing them with a forum to express that is very powerful and beneficial for our company.”

The forum for those ideas comes via the “President’s Club.” Originally, it was a motivational tool — a way to reward members of the company who were going above and beyond their everyday jobs and showing the leadership traits and problem-solving skills that could help them advance their career at Panther. Each quarter, Clarke would take the chosen employees to lunch at a steak house in Fairlawn.

But it soon became evident that the

employee morale-boosting effect of a first-class porterhouse wasn’t the most valuable benefit of this business lunch. The lunch was a great chance for both Clarke and the employees in attendance to engage in open dialogue about what was going right at Panther and what needed improvement. One of the ideas that was first discussed at a President’s Club luncheon was a mentoring program for new employees, which has since been instituted.

But the key to making these ideas reality is how Clarke handles them. When an employee spoke to him about expanding the mentoring program to other departments within Panther, Clarke didn’t just smile and nod.

“I said ‘Perfect, when do you start?’” he says. “This afternoon when you get back to the office, set it up. Make sure you feel empowered to do these great things. Don’t wait for somebody to tell you that it’s OK.”

Clarke says that if you have faith in your employees, they won’t let you down. In times of growth, he says the people who have day-to-day interaction with the individual customers are the ones who are spotting the next great opportunity. It’s the CEO’s job to develop the vision and make sure they understand it, but then you should give your employees the opportunity to succeed on their own.

“When they’re empowered to do great things, they’re going to do great things,” Clarke says. “If people are waiting around being told what to do, you’re limited to however many times you can tell that particular person to do it. But if you allow them to go out and do those things, they’re going to solve those problems.”

### **Don’t be afraid to pull the plug**

Not every idea is going to be right for the company. There isn’t any particular formula Clarke uses to determine whether an idea is the right one for Panther, but you have to be willing to make changes.

“We have done things in the past and we will do things in the future that we thought would be good for our growth but ultimately proved, over a period of time, [that they] actually didn’t work out,” he says. “You have to be able to respond quickly and not be afraid to make a decision based on the full set of facts that you have at the time.”

And many times, those facts lead you to a decision that was the right one — at the time. However, things change. As time passes, the facts change, and the assumptions you made may no longer be valid. It's not good business to hold your company to a decision that no longer makes sense.

"Maybe it made sense a year ago, but it's 2008, and it may not make as much sense now," he says. "Let's think about our business and our customers in a new light."

If you want your management team to be able to make nimble changes as the facts surrounding a decision change, you need to create an atmosphere in which it's OK to take a creative risk.

Clarke has a few keys to creating that kind of atmosphere: If the idea works, you simply reward the people involved. Of course, it's not as easy when an idea doesn't pan out.

The first step in that process is having a post-mortem meeting in which the involved team members find out why the idea didn't work. If your team based its decision on a hunch, then you have to hold them accountable for the failure. However, you can't fault them if they did their due diligence.

"If you did all your work, you did all your research, you had the facts, but those facts changed, and it didn't work out, well, even if you're a smart, dedicated person, you're going to make mistakes," Clarke says. "We just try to keep those mistakes to a minimum, and we try not to make the same mistakes twice."

Another key to establishing an atmosphere where creativity can flourish is letting your ideas be up for debate — not instantly cast in stone. Some CEOs can get too attached to an idea they are passionate about and become reluctant to let it go. Any possibility that his management team would remain silent while a doomed idea sabotaged the company has been sanded away by Clarke's competitive decision-making process.

When his senior staff members enter a meeting room to discuss an idea, they leave their egos at the door. Clarke says you need to create an atmosphere where people are not personally attached to ideas. It makes it easier to bite your tongue if your idea is shot down or combined with another person's idea.

"If (my idea) doesn't make it out, I



**“If there is something I can do in my job to help another person do their job more successfully that will enable us to serve our customers more effectively, it's actually in our collective best interests to do it.”**

Andy Clarke, president and CEO, Panther Expedited Services Inc.

don't feel bad," he says. "I just want to make sure the best ideas come forth. If it's a combination of two ideas that independently are good but together are great, let's do it that way."

### **Get everyone on the same page**

Because Clarke believes ideas come from every level of the organization, an important part of his plan is building links between each part of the organization — and not just at the senior level.

At Panther, Clarke has strived to break down the silo mentality that plagues some businesses. For that to happen, communication has to not only flow up but flow from side-to-side, as well.

Let's say an employee in the finance

department has a problem that requires help from the IT department. In a company with silos, that problem has to be channeled all the way up the chain of command in the finance department, across to the IT department and down the IT chain of command to a programmer who is assigned to fix it.

"By the time that happens, first of all, you've lost time in the matter, and you always lose something in the translation," Clarke says. "By the time it gets to the programmer, he may have a completely different thought as to what the person originally wanted."

To eliminate mistakes and make the process more efficient, Clarke has encouraged side-to-side communication

## The Clarke file

at Panther. He wants the finance employee who had the initial idea to go straight to the IT employee who can help him. In fact, building ties between departments is one of the main benefits of the President's Club luncheons.

"I bring in people from the organization from different groups, for not only an open exchange of ideas but also to develop relationships," he says. "When somebody has a particular problem they need to solve, that problem may be solved by a person you sat next to at lunch. As opposed to going all the way up through your group and then down through the other group, all you need to do is say, 'Remember, we had that lunch, and you told me you were having a problem with this. Here's a potential solution for you.'"

Clarke says the collaboration that develops from their new relationships is a good way to show your employees that while their main responsibility still lies with their group — whether it is finance, IT, operations, sales or anything else — all employees are ultimately responsible for the betterment of the company.

"We all play our own particular roles," he says. "If there is something I can do in my job to help another person do their job more successfully that will enable us to serve our customers more effectively, it's actually in our collective best interests to do it."

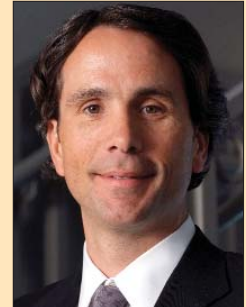
Clarke says you can talk all you want about establishing a culture where ideas flow freely, but it won't happen if you don't take part yourself. Employees follow the lead of the person in charge, so the key to getting employees to break out of their silos is for the CEO to engage in clear, consistent communications with everyone, regardless of department or level, and then encourage each person to do the same.

If you set that tone, it will filter down and soon employees from every department of the business will be interacting with each other. That sense of camaraderie strengthens the company's team mentality. No individual group takes the credit for a success or shoulders the blame for a problem

**Born:** Cincinnati

**First job:** Sweeping floors in my father's company

**Education:** Bachelor's degree, business administration, Washington University of St. Louis; master's degree, business administration, University of Chicago



### What is the greatest business lesson you've learned?

The philosophy that you get better or you get worse; you never stay the same. You're continually improving. If you were to say, 'What's the key to success?' it's absolutely hiring the best people you can find and providing a platform for them to execute on the strategies of the organization.

(The senior team members) view ourselves as a resource for the entire organization to help them execute on what we've laid out. Our job is to lay out what Panther is and who we're going to be. Hire the best people and provide that platform so they can execute strategy we've laid out.

### What do you enjoy most about being a leader?

Being challenged by really smart and dedicated people at Panther

### What do you enjoy least?

You're always on the clock. We're open 24-7, so therefore I'm available 24-7.

because each group is working side by side with the others.

"It no longer becomes, 'Hey, here's a problem and that problem is in this particular group'; it becomes, 'Hey, there's a problem at Panther,' or, 'There's a good thing at Panther,'" Clarke says. "We all share in Panther's success, and we all share in the responsibility for correcting things that aren't successes. When Panther succeeds, we all succeed." <<

**HOW TO REACH:** Panther Expedited Services Inc., (800) 685-0657 or [www.pantherii.com](http://www.pantherii.com)

