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Getting Big by Thinking Small

By Chris Brandt
Staff Reporter

There's nothing special about MiniMoves Inc.'s trucks. Their International 4900s, for the most part, are specified for highway use with 22- to 28-foot boxes.

But the fact that MiniMoves has trucks at all — now that's a story.

The Chicago-based moving company specializes in small shipments of household goods over long distances. Such service is not unique — brokers can arrange the passage of a favorite futon or beloved E-Z chair, for example, through less-than-truckload carriers.

What is unique is a company that moves small volumes in its own trucks. MiniMoves essentially has combined the brokerage and trucking elements associated with general household goods shipments. According to owner and founder Jack Arslanian, this strategy cuts out the middleman and makes smaller long-distance moves affordable.

"The concept is, we want to provide moving man services at do-it-yourself prices," he said.

MiniMoves' customers fit into different categories. Two prime examples are kids heading off to college and "empty nesters" moving into smaller houses or apartments.

Then there's the "lump sum guy" — an entry level employee who doesn't have a whole houseful of furniture. "He's not really high enough in the pecking order to deserve any kind of full-service move, but the boss says, 'Hey, here's \$500 toward your move,'" Mr. Arslanian explained.

The itinerant and desperate also phone MiniMoves' 800-number. "I got a call from a girl one Saturday and she said, 'You guys have to help me — I've moved seven times and my friends won't help me anymore.'

All of these customers have one thing in common: They don't have enough stuff to warrant hiring a big-time mover. Conventional movers, such as Atlas Van Lines, often have 1,000- or 2,000-pound minimum weight requirements, and their

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average shipment is 7,000 pounds.

MiniMoves' average is 800 pounds.

"The (van line) agent says that will be 1000-pound minimum and that will be \$1,200, and of course the customer gasps, 'I could buy a new sofa for that price,' and they go out of the market," Mr. Arslanian said. "If they call us, we can get it to California for \$450. All of a sudden it's realistic and it makes sense."

MiniMoves also claims to do it cheaper than a do-it-yourself move, in most cases. The company's service cost compared favorably to renting a truck from U-Haul or Ryder in a recent study by American Homestyle & Gardening magazine.

"In a couple of cases we were a little bit over, but in several it was actually less expensive for us to provide a full-service pack, pickup and delivery," Mr. Arslanian said.

With a do-it-yourself move, "there's the hidden things you don't think about," he said.

"It's not just renting the truck. You have to fill it with gas. You have a mileage charge or a one-way drop charge. You are probably going need dollies and (furniture) pads. Then there's hotel stays and meals. It adds up."

MiniMoves can charge lower rates because it functions differently than the rest of the moving industry. A conventional moving company consists of an agent and a truck driver, who is often an owner-operator.

Save for a few independent contractors, everyone who works for MiniMoves is a company employee. There are no layers of middlemen.

MiniMoves also takes a little more time than conventional carriers. A typical coast-to-coast shipment can take up to 28 busi-

ness days — the big guys do it in half that time.

To charge low prices, MiniMoves has to make sure all trucks and routes are maxed out — thus the slower service. "We are not going to fit into everyone's system," Mr. Arslanian said.

He got the idea for MiniMoves while he was owner of a Pak and Mail franchise in Chicago. "People would come in and say, 'I'm trying to get this futon to my son in Los Angeles.' We'd tell them we really only ship UPS boxes."

When customers kept asking for service for larger items, the company began packaging items for LTL consolidation.

"We used some of the large common carriers, but unfortunately, they weren't sensitive to that kind of service," Mr. Arslanian said. "They usually go commercial dock to dock, and when we'd ask for an inside delivery, things didn't always go too well."

To fill the void, Mr. Arslanian created MiniMoves in 1992. The new company

SNAPSHOT

MiniMoves Inc.

Bellwood, Ill.

- Small volume, long-distance household goods mover, founded in 1992 by Jack Arslanian
- \$3 million revenues in 1996, \$4.5 million projected for 1997
- 40 employees, all company drivers
- Serves 48 states, with some limitations
- Average shipment weight of 800 pounds, 12 to 28-business-day transit time coast-to-coast
- 12 International and Mitsubishi/Fuso straight trucks with 22- to 28-foot boxes
- 10 tractor-trailer combinations: International tractors with Kentucky and Great Dane trailers
- All vehicles owned and maintained at Navistar dealerships

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would package and secure passage of items too large for Federal Express or United Parcel Service.

At first, he didn't want to own his own trucks.

"I figured that we'd market, do the selling and fundamentally broker the business off to someone else. But I found out very early in the game that I couldn't get the customer service levels — which were very important for my growth — with other operators. So I started purchasing our own equipment."

Today, MiniMoves has 22 trucks operating nationwide. It has consolidation centers in Chicago; Phoenix; Montabello, Calif.; White Plains, N.Y.; Leesburg, Va., and is planning other sites in Texas and Colorado.

Anyone in the 48 states can call on MiniMoves, but service is catch-as-catch-can in places.

"Some areas of the country must be along our routes in order for them to be efficient for us. We don't market actively in North or South Dakota or Wyoming," Mr. Arslanian said.

The lion's share of MiniMoves' business is common household goods — couches, tables, desks, chairs, chests, hutches, armoires, televisions, stereos and bicycles. A variety of specialty items augments the mix.

The company recently moved a pair of 19th-century gas lamps from the old Boston Commons. "A woman had purchased them in Boston and now she's moving from Dallas to Connecticut," Mr. Arslanian explained.

Other notable moves: a million-dollar antique cabinet, two \$10,000 English chests and some dinosaur bones owned by the Milwaukee Public Library.

And every spring, MiniMoves transports a load of Easter eggs to Washington, D.C. "The American Egg Growing Institute in Chicago has all the states send in a decorated, hollowed-out egg. We go to their offices, pick them up and take them to the White House.

"We haven't broken one yet," he said.

Across all its business, MiniMoves has a 3% loss or damage rate — the moving industry's average is 10%.

Other numbers sound good, too. MiniMoves did \$3 million in business in 1996. That was a 100% increase from 1995's \$1.5 million. This year looked rosy as well.

And Mr. Arslanian, a former executive with media giant Katz Communications, recently received some personal recognition. He was named a finalist in the Illinois/Northwest Indiana Entrepreneur of the Year award, sponsored by Ernst & Young LLP.

It seems for Mr. Arslanian and MiniMoves, good things come in small packages.