Growth Strategies

Up for a challenge

Those uncomfortable being competitors need not apply at TQL

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Q&A: Ken Oaks

Ken Oaks learned what he wanted to see in a freight brokerage by being on the other side of the fence. For more than a decade, he was a salesman with Wilder-based produce firm Castellini Co., and he grew tired of the unreliability and general aggravation of dealing with the third-party logistics brokers that help trucks fill their loads. As CEO of Total Quality Logistics, he works to change that industry reputation.

CEO Ken Oaks knew there was a big market for the freight brokerage services that Total Quality Logistics offers, but he had no idea that the third-party logistics firm would hit its stride so quickly. The Clermont County-based company, founded in 1997, has grown to nearly 900 employees, with 2006 sales of $294 million.

To keep the operation rolling smoothly, Oaks and his executive team are very selective about whom they hire, and making sure they stay engaged and satisfied is a priority. TQL was named one of the Best Places to Work in the Business Courier's annual contest, based on employee survey results. Oaks shared his thoughts on strategic growth and a happy work force with Senior Editor Karen Bells.

Q: What are some challenges in leading such a fast-growing company?

A: Trying to stay ahead of the S curve, organizations must continue to reinvent themselves as they grow. And with growth as fast as ours, sometimes it seems we are just barely ahead, but it’s absolutely critical; otherwise you will plateau, growth will stop and eventually decline. We continue to reinvent by growing and hiring great leaders, both from inside and out.

Q: How about the rewards?
A: Being part of that continuous transformation, watching leaders develop and grow and step up, watching our work force grab on and believe in our core values.

Q: When you founded TQL in 1997, did you have any idea there was so much potential business?

A: No, I didn't realize the huge demand for high-service-level providers in the truckload freight brokerage sector, nor did I realize that there were so many people like me who wanted a sales job that rewarded them 100 percent based on personal performance.

Q: Have you had to caution against growing too quickly or put measures into place to make sure the growth was strategic?

A: We feel that we are just coming out of the entrepreneurial phase of our company and entering the true growth phase. We have a business model that works, and we have set specific plans and processes in place to effectively manage our growth.

Q: TQL has a pretty involved recruitment process. Tell me about it.

A: The process begins on campus. For instance, this year we will hire 120 college interns for the summer; right now, we expect about 60 percent of those to become full-time employees upon graduation. There are 28 different colleges and universities represented. When each of these interns goes back to school, whether it's in a formal capacity or informal, they all become "student ambassadors" for TQL. The viral marketing aspect is huge for us. Sixty percent of our employees learned about TQL via word of mouth. But once a recruit is on our radar, we have a five-step process that gives us time to fully evaluate the match and lets the candidate do the same. This way, by the time a candidate gets to the fifth step, any concerns on either party have been addressed, references have been checked, they've been on our campus multiple times and seen the job.

Q: Through trial and error you've found the type of person who fits best at TQL. Tell me about that person's work style and temperament.

A: Competitors, at any and all levels. Certainly college athletes, but also could be music majors who are used to competing, communications majors who entered contests, anyone who has that common thread of stepping out to see how they will do against someone else or some sort of benchmark. Work style and temperament need to be energetic, flexible, quick-thinking, with the ability to accept responsibility and act on it. We all understand, practice and preach the importance of execution.

Q: How important is it that employees enjoy their job?

A: It's huge, it's critical. There are times when any job is stressful; if the core of the job isn't enjoyable, then they will never get through the stressful parts. If you don't like coming to work every day, then eventually - you won't. That's why we sponsor so many team-building activities; that's why we built the basketball court and the fitness facility. Our employees aren't just co-workers - they are friends, they meet after work, they play on volleyball teams; it's much more than a job. Consequently, the work force help each other through those stressful times. There is always a helping hand. There is always somewhere to turn to brainstorm. It's these intangibles that make a career choice fun. Our first-year retention rate - for a primarily commission-based work force with an average age of 24 - is 80 percent. We are very proud of that but have to work to keep it there and get it to 90 percent.

Q: TQL’s new headquarters in Clermont County has pretty cool features. What are some highlights?
ellipticals, weight machines, free weights - and threw in a surround-sound audiovisual package with eight plasma screens. We also built a full regulation basketball court right outside of our cafeteria. It's a beautiful building and one of our best recruiting tools.

Q: Besides using those facilities, what else does the staff do for fun?

A: We encourage all functional departments and sales teams to have unique team-building activities outside of work - could be bowling, paintball, sporting events, could be dinners and lunches, anything that is fun, increases morale. We sponsor nice rewards for sales contests. We had a contest for the first quarter in which the entire team was treated to a full weekend getaway to Belterra (casino), including golf, lodging and meals. We also have a huge number of staff members who participate in civic and philanthropic events; they have formed the TQL Employee and Community Relations Committee that set a goal for over 1,200 hours of community activity involvement for this year.

Q: One of the things people often cite in a great place to work is a sense of being valued and part of the mission. How do you create that spirit?

A: That's simple - by empowerment. We don't manage by egos; we treat everyone with respect and recognize that sometimes the best ideas will come from those on the front lines. Our work force knows they can e-mail me or any other member of the executive committee with an idea or a comment and we will treat it with respect and dignity and give it the attention it deserves. We also go to great lengths to communicate our wins, losses, challenges and successes, companywide to all levels.

Q: What about pay?

A: Our main role of logistics account executive becomes commission-based after an intensive and thorough training program. We do pay a salary during the training period, and once the individual is up and running with a few accounts, it makes sense for them to move to commission, as we do have one of the highest commission plans of our industry. That being the case, strong performers make excellent livings, but they also work extremely hard to get there. You have to be willing to put in the time and effort right from the start.

Q: Why is TQL still a rewarding workplace for you?

A: I am fired up every day I go to work. I am incredibly fortunate to have great people to work with in an environment that involves constant challenging of each other.

Q: What does the future hold?

A: We think it holds the same type of growth we've been seeing. We are planning to be a billion-dollar company by 2010. The future probably holds a few more buildings out here at our new campus and possibly satellite offices around the country. It definitely holds becoming the household name in our industry and the employer of choice of top sales professionals in our region.

By The Numbers
• Employment: There are 872 people on staff, including 120 summer college interns. Total Quality projects that it will have more than 1,100 employees by year's end.
• By contrast: This time last year there were 562 employees; in 2005, there were 268; in 2004, there were 112.
• Sales: $294 million in 2006, compared with just above $100 million in 2004, an increase of 191 percent.
• Corporate headquarters: 100,000 square feet on the Interstate 275 loop at state Route 32 in the Union Township area, plus space in Milford. TQL plans to add additional buildings at its corporate