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John Soos manages a cooperative that helps over 200 local companies save money on shipping and logistics services. Empire State Shippers' Association (ESSA) is adding six more trucks to its fleet this month.

Shipping cooperative expands operations

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A regional shipping cooperative is doubling the number of trucks available to its 250-plus members.

Empire State Shippers' Association (ESSA) expects to have 12 truckers signed on as exclusive operators for ESSA Transport, a division that began 18 months ago with one truck and was up to six by May.

Based on William Street in Buffalo, the 60-year-old organization is governed by a board of directors elected from the membership.

The transport division was added to give member companies even greater savings on shipping rates, said John Soos, general manager.

"What the transport brings are its own dedicated assets and trucks that work exclusively for the membership," he said. That's important now as capacity issues continue to tighten and a shortage of drivers gets even worse.

The organization was founded in 1946 by half a dozen companies that pooled their shipments to reduce their transportation costs.

The freight cooperative has grown to include a freight terminal and two companies: ESSA Logistics LLC and ESSA Transport LLC to provide members with complete logistics services, as well as improved transportation costs, times and quality levels.

Starline USA joined the organization four years ago, primarily to get the Grand Island promotional products firm better rates, said Dave Venne, warehouse manager. And 19 times out of 20, the organization delivers,

with "unbelievable" prices, he said.

"I used to call around and try to get two or three quotes, especially if they were larger (shipments)," he said. "I don't pay for expedited service and you get outstanding service. I can shave off a day or two or three depending where it's going."

The two new divisions have increased revenues by more than 60 percent to \$7 million last year, with the profits reinvested into the cooperative and going back to members in the form of quarterly credit dividends for future shipping expenses.

The organization has hired additional dispatchers and spent about \$100,000 upgrading the software and hardware systems, and renovating the parking lot and loading docks to accommodate increased traffic at the 14-door, 15,000-square-foot terminal.

Vincent Sanchez, the cooperative's attorney since 1972, has witnessed the dramatic increase in revenue over the last 18 months.

"This is not an expanding manufacturing market. Our concern is to increase our market share among existing shippers," said Sanchez, a partner with Amigone Sanchez Mattrey & Marshall LLP of Buffalo. "We offer them benefits the other carriers don't."

Mark Niederpruem, who was elected to the ESSA board while working for General Motors, joined Praxair as transportation project manager last month.

He said the advantage for any manufacturer with shipping needs is ESSA's ability to handle any type of business. "Whether you're a large or small company, you're able to take advantage of the discounting and all of the things a larger company can," he said.

"They have the ability to go out and use hundreds of carriers and know who to call and not to call. That's a huge advantage to a small shipper," he said.

Plans call for expanding the warehouse facility. The organization is also looking into expanding the business model into other markets.