

# Long Island Business NEWS

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Bob Cigione

## Shipping out

**Franchise  
links small  
businesses to  
major carriers**

By **AMBROSE CLANCY**

Called to a last-minute hush-hush meeting by his boss, Chris Cadigan removed the memory chip from his company-issued cell phone before entering the room.

It was October 2008, and rumors had spread that Cadigan's employer, the international shipping giant DHL, was about to pull the plug on its North American operations.

Sensing he was about to be canned as a regional sales director, Cadigan took the chip to secure his contacts before he had to turn over his phone.

The sole provider for his family, with wife Angela home with their infant daughter in Oceanside, Cadigan didn't

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# Shipping: Self-employment, the ultimate in job security

From 7A

want to hit the street with no lifelines.

But he had been given a reprieve, if not a happy one. Handling accounts once worth \$250 million but now shrunk to \$9 million, Cadigan's boss directed him to let go his staff of 30.

The rumors were true. Germany-based DHL was bailing on North America after \$10 billion in losses.

After performing his heartbreaking task of saying goodbye to a team he had worked with every day over a number of years, Cadigan was given a new job as a director in the global accounts wing of DHL.

But having a job didn't stop him from looking for another one.

By January 2009 Cadigan thought he had a year before the ax would fall on him.

"I started networking like a madman," he said. Determined to stay with an industry he knew and loved, Cadigan began exploring the possibility of a Unishippers Global Logistics franchise.

The 23-year-old company with 285 territories across the country is best known as a "reseller," acting as a middleman between major shipping carriers and small to mid-sized businesses.

## I REMEMBER THE PRESIDENT SAYING WE WERE STARING INTO AN ECONOMIC ABYSS

Behemoth shippers such as UPS handles pick ups and deliveries of small express packages and heavier freight shipments, while the Unishippers franchise sells the service to customers, providing customer service and support to the local businesses. The franchisee also handles billing.

"We're the neighborhood face of shipping," said Chip Baranowski, franchise development manager at the home office.

By partnering with several of the large carriers, Unishippers can leverage those numbers to provide between 15 percent and 20 percent savings to the local businesses, Baranowski said.

Franchise fees range between \$24,000 and about \$40,000 depending on the territory and if the franchise handles only heavy freight shipments or small package express service. A franchise which handles both is the pricier option, Baranowski said.

Ben Cerrone, who operates Huntington-based Letstalkfranchise.com, a franchising industry tracker, said the concept is a good one. "It can mean a lot of hard work but the low buy-in is an attractive feature," Cerrone said.

Having the idea to own his own franchise was just the beginning for Cadigan, however. He knew there was a lot of work ahead. And the timing wasn't optimum.

"Last January I remember the president saying we were staring into an economic abyss," he said with a laugh.

He found out in a hurry that lenders weren't eager to part with money, and the shipping industry, like almost everything

else, was rapidly taking on water.

In March 2009 FedEx announced third quarter revenue was down 15 percent even after picking up market share with DHL gone from the scene.

Through February and March Cadigan cold called more than 100 banks looking for funds to go out on his own. He figured he needed about \$40,000 for a franchise fee which would take in Nassau County south of the Southern State from the Queens line to the Suffolk border. He wanted to secure another \$50,000 for operating capital and have \$65,000 for his family expenses until

the business was up and rolling.

"And I wanted another \$30,000 in reserve," Cadigan said.

Persistence paid off and by midsummer he'd managed to secure the capital. By early September he had finished paperwork on getting a federal freight broker's license. Just in time.

On Sept. 18 he was called in by his boss. But this time he wasn't worried about his contacts list.

"They told me my job was going away," he said. "But I was open for business. I'd put my destiny into my own hands."

Business is good, Cadigan said. He recently scored a large account when Steve Madden, the Queens-based shoe and handbag designer and clothing retailer with more than 200 stores nationwide, decided Cadigan's Unishippers would handle both its light and heavy shipping.

Home-based since September, Cadigan moves next month to offices in Rockville Centre and will hire an office manager and start to put together a sales staff.

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