

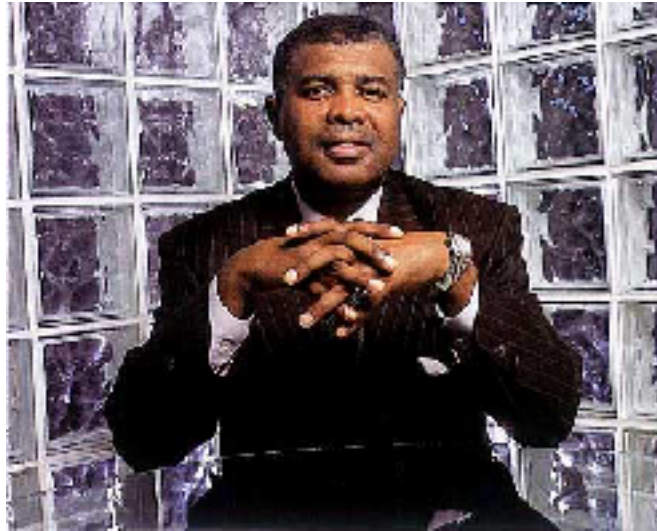
CRAIN'S Small BUSINESS

CHICAGO EDITION

IN FOR THE LONG HAUL

Moving toward future growth

[DIRECTLINE] Herb Stokes, 48, is president and CEO of Chicago-based Alliance Relocation Services LLC, which offers relocation services to corporations. Projected 1998 revenues for the 3-year-old, 11-employee firm are \$10 million.



As part of Herb Stokes' vision of providing quality service, Alliance Relocation Services' customers pay an amount based on their assessment of the moving job.



We are a full-service relocation firm for corporate transferees. We provide domestic and international moves of household goods. We also can give real estate guidance. We offer assistance with home appraisals, home finding, mortgages and real estate closings. If the transferee is a renter, we can help him or her find an apartment. We have two customers, the corporation and the employee.

I started the company in 1995 after 23 years with Allied Van Lines. I reached a point where I wanted to have more control over my destiny. I had a vision of high quality service that I wanted to bring to the industry.

We use "performance-based pricing." We establish a relocation budget with our customer, the corporation. And then we establish a grading system. If we earn a grade of an "A," we get a certain amount for the move. If we are graded "B," we get a smaller amount. The person we are relocating does the grading. This is how I compete, through pricing and proven quality performance.

We never lose sight of talking to the person being relocated until the move is delivered. We become family. We get satisfaction from moving a person from point A to point B. There is always a family member who does not want to move. If the husband got a good job, the wife has to come along. If the wife got a good job, the husband has to come along. Not to mention the children—they never want to go. We find ways to comfort those people.

Before I started Alliance, I was executive director of quality at Allied. My responsibility was to improve the level of service. That was hard to do because the van line drivers are independent operators. I knew the real impact on quality had to occur on the labor front, but the independent operators were recruiting and hiring labor from questionable sources. And those people were not trained. When I got into the industry in 1971, I was not trained. I was a young boy trying to make a dollar and get through school.

To address the labor issue, I plan to hire individuals, train them and then find them jobs. We have a facility on State Street in Chicago and we are building classrooms there. When I was at Allied, we built an actual house in a warehouse in Downers Grove. It was a furnished two-story house connected to a loading dock. We want to have a house like that in Chicago where we will train people and then certify them as they graduate from the school. Individuals could then be

placed with the van line agents for employment. Allied helped start this business, I never went to the bank for a loan. Allied loaned me the money, but they provided some goals I had to meet. That's fair.

I couldn't compete against big companies, so I developed a niche. I am a member of the National Minority Business Development Council. It is a large national fraternity made up of major corporations that have goals to use minority- and women-owned suppliers. For example, Coca-Cola Co., one of my clients, knows part of its consumer base is made up of women and minorities. So it makes good business sense to have suppliers from those groups. My membership through minority development has given me a segue into these corporations because we share a common philosophy. That has helped me get into these companies, but keeping the business is based on service.

I started as a helper and now I'm an entrepreneur. There are not a lot of Herb Stokeses around, but there should be. I really thought, based on my credibility, merit and industry experience that it would be easy when I started this business. But what happens is that you are placed in a box because of the color of your skin. Once they know who you are it is simple. But initially it is hard.

The word minority is overused. People become suspect. They have concerns about safety and security. We find we have to do twice or three times better than other people. Those are struggles you have to overcome to prove yourself. But once we have built a relationship, we are solid. We have had Coca-Cola and United Parcel Service of America, Inc. as customers for three years. We have not lost a customer. They understand our dedication to quality, quality, quality.

I want to bring change to this industry. I would do that through the existing structure. I don't want to isolate myself and build a minority club. I want to integrate into the system. I want corporate America to come to Alliance because we know what we are doing and we provide excellent service.