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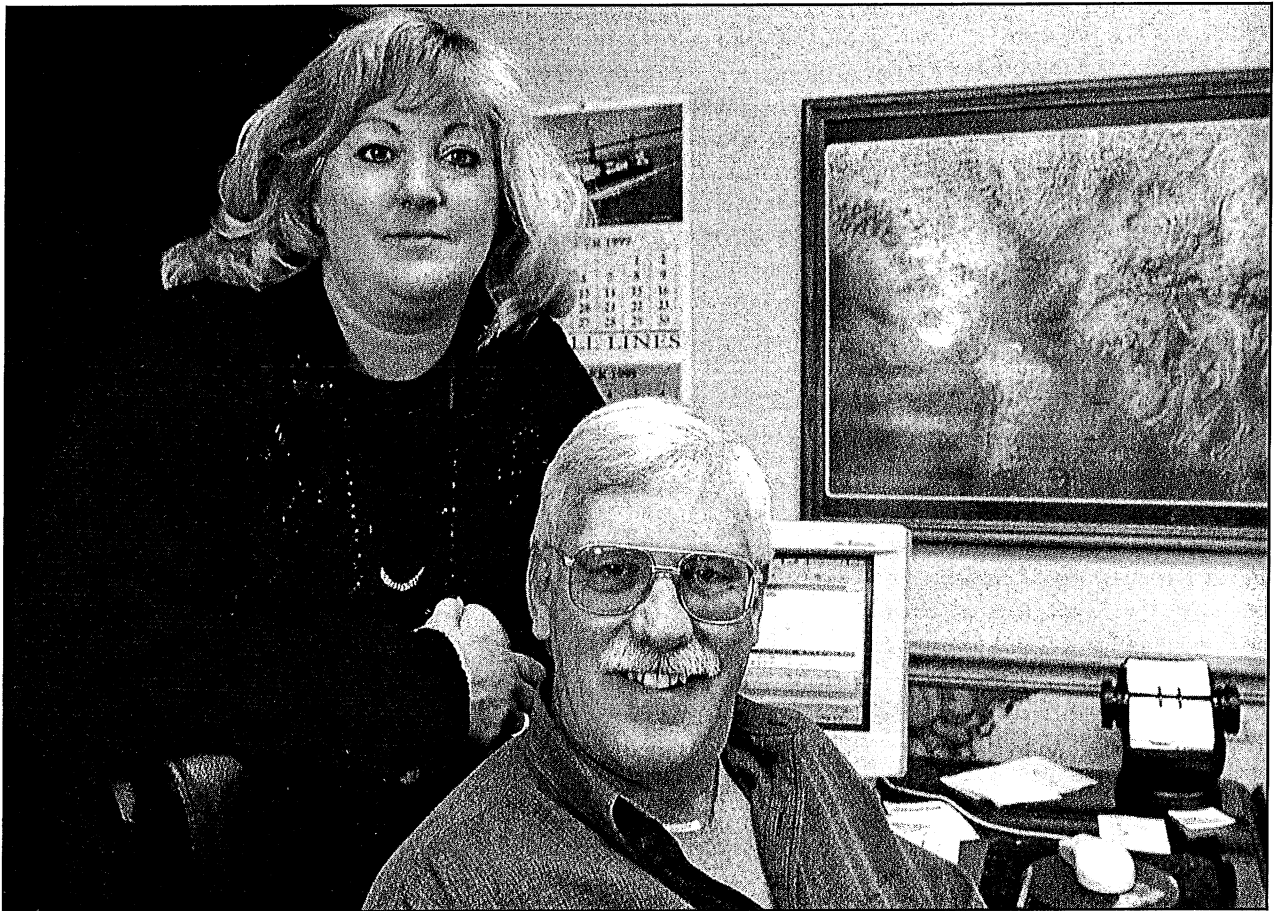
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THE METRO AREA'S MOST COMPREHENSIVE BUSINESS COVERAGE

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STRATEGIES
IN SMALL BUSINESS

THE GLOBAL HIGHWAY



Dave Kaup photo

Jeannie and Roger Scarbrough own Scarbrough International, a customs broker and freight forwarder company. The Scarbroughs' business is unusual in the Midwest, because firms are leery of international freight being handled outside of port cities.

BY BRIAN COOKSON
STAFF WRITER

Scarbrough International may have started in the basement of a townhouse, but owners Roger and Jeannie Scarbrough have always had grander visions for their company.

The Kansas City customs broker and foreign freight forwarder was founded in 1984 in the Scarbroughs' home. By 1998, the company had hit \$20 million in gross rev-

*Roger and Jeannie
Scarbrough put their KC
customs and freight firm
on the map*

enue, had added an office in St. Louis and was complemented by a trucking company.

"The growth has never stopped since the first day we opened the doors," Jeannie Scarbrough said.

The townhouse story is a bit exaggerated, Roger Scarbrough said. The business, which has grown at an average of 10 percent to 12 percent a year, operated out of their home for only a month.

"Customers in this business want business addresses," he said. "They don't want someone working out of their house."

Within about five months of moving the company out, they were making a profit, he said. The firm, which gets half its business from importing and half from exporting, employs 28 at its Kansas City, North, and St. Louis locations.

It didn't take long for Roger Scarbrough to get the itch to go out on his own. He got his start in the foreign freight world in 1980 at Kansas City-based Swartz Co. While working there, he tried to get involved in transporting goods, rather than just providing arrangements to get freight through customs. His boss, however, didn't see things the same way.

"It finally got to the point where it was easier to go do it my way rather than arguing about how it should be done," he said.

After 2 1/2 years, he knew he wanted to break off and start his own firm.

"Then it was just a matter of figuring out how to do it my way," he said. Four years after he started at Swartz, he and his wife were running the show, booking sea and air transportation for freight as well as getting it through customs. He handles the company's operations; she manages the administration.

Roger Scarbrough had ideas about transportation and the experience to back it up. He got his start loading cattle into trucks for his father's cattle-buying business. In college, he was in charge of distribution at a Maryville cheese factory.

Although the business had early success, Scarbrough International still had to prove its worth as a Midwestern company doing international business. Roger Scarbrough said firms were somewhat leery of using companies outside of port cities to handle foreign freight.

"Convincing them that we could do the same things the port cities could do was a challenge," he said.

Staying current

But the biggest challenge, they both said, is staying on top of global changes. Since its opening, Scarbrough International has seen the fall of the Berlin Wall, the rise of the European Union and the signing of the

Small Business Snapshot

Scarbrough International

Founded: 1984

Employees: 28

Description: Customs broker and foreign freight forwarder; also offers auxiliary services, such as customer storage and a trucking company

Business Tip: Roger and Jeannie Scarbrough try to anticipate what will happen next in an evolving industry. "If you rest on your laurels," Jeannie said, "you'll get left behind."

North American Free Trade Agreement.

To keep abreast of changes, the company uses a membership in United Shipping, an international organization of customs brokers and freight forwarders. Roger Scarbrough is the organization's president.

The organization keeps Scarbrough International in touch with peers in foreign markets, providing firsthand sources on developments overseas. It also gives Scarbrough group-purchasing advantages for warehousing, insurance and other necessities.

Part of Scarbrough's success, its customers and employees said, comes from knowing how to treat customers. Tony Woodward, who has been Scarbrough's export manager for just more than a year, knows the company inside and out. Before he came to Scarbrough, he worked for a firm customer.

"I liked the way he does business, and I want to be a part of it," Woodward said of Roger Scarbrough.

Scarbrough's attention to customers has helped keep them coming back. McCormick Distilling Co. Inc. has been with Scarbrough for 15 years. In fact, McCormick was Scarbrough's first customer.

Eula Hunt, customer service supervisor at McCormick, said Scarbrough will help her with information on freight the company isn't even handling. Hunt said the company has great follow-through.

"If you give them something to do, you can be sure it gets done," Hunt said.

Jerry Batterson, logistics manager and

converting manager for Robbie Manufacturing Inc., said he brought his business to Scarbrough after receiving sub-par service with one of Scarbrough's competitors. Batterson said if something ever goes wrong, Scarbrough has the ability to fix it.

"They have answers to the problems before they even call me with a problem," he said.

Plus, Batterson likes the company's accessibility.

"If you get with a big company sometimes you get caught with the 800-numbers," he said.

Customer service

Scarbrough International also attracts customers with services other firms can't provide, as well as auxiliary services, such as customer storage, and a trucking company.

The trucking company, Scarbrough Transportation Management Specialists, was formed in 1988. STMS, a fleet of three 18-wheel trucks, picks up and delivers freight in the Kansas City area and provides transportation services to and from Chicago. It also books freight on less-than-truckload carriers.

Although he said Kansas City is a good market, it has yet to realize its potential. A direct international flight to KCI would help bring more business to the area, he said.

Also, establishing a NAFTA trade corridor at Richards-Gebaur Memorial Airport would provide a boost. It also could speed up the process of getting goods to Mexico by clearing the buildup of trains waiting to clear customs at the border.

"If they could put those on rail and have those already cleared, it would make a huge difference in the backlog," Roger Scarbrough said.

As he has for 15 years, Roger is still anticipating what will happen next in an evolving industry. If they rest on their laurels, Jeannie Scarbrough said, they'll get left behind.

"I think if you ever say you've made it, you've lost it," she said.