

Business

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Seth Lower / The Detroit News

Nereida Flores packages liquor at Evans Distribution Systems in Melvindale, which has incorporated value-added services. More than half of Evans' customers require these services.

Logistics firm broadens services for customers

Evans Distribution adapts to changes in warehousing industry.

By Eric Pope
Special to The Detroit News

MELVINDALE — Evans Distribution is a 75-year-old family business in a traditional industry, but it hasn't survived and prospered by doing the same old thing.

For many years the company warehoused all the cigarettes for Metro Detroit and handled all the Seagram's Crown Royal and VO products coming across the Canadian border. Five railroad tracks ran into its 409,000-square-foot warehouse next to I-75.

Evans no longer handles cigarettes and the railroad tracks have been filled in with concrete. High customer turnover has always made change a big part of the business, but now warehouse operators have to do much more than provide storage space and transportation.

"You have to change or you're not here," said John W. Evans, 62, the company's chairman whose grandfather started the business in 1929.

The biggest change in warehousing in recent years has been the addition of value-added services such as assembly, repackaging and even testing of products. The trend gained momentum more than a decade ago when many American companies downsized and no longer had the people or logistical expertise to get shipments ready for distribution.

Lessons learned

According to the National Association of Wholesaler-Distributors, logistics companies earn about \$17 billion — or 24 percent of revenues — by providing value-added services. More than half of Evans' customers require these services.

This summer Evans will hire more than a hundred temporary workers to assemble Crown Royal whiskey Christmas display packages for Diageo North America. Packers will match up packaging from New York and hand-blown glassware from Italy with bottles of whiskey from Windsor.

New shipping tasks have been created by the auto industry, which accounts for about two-thirds of Evans' business. Chep Automotive of Troy uses Evans to pick up, clean out and deliver containers used for shipping parts from one automotive plant to another.

Bill Wenk of Chep Automotive said Evans prices the service correctly and gets the containers where they need to be on time. "They have been outstanding. We actually have very little interaction with them other than to direct them where to pick up and ship the containers," he said.

Next month Evans Distribution will switch to a new computer system that uses barcodes to track the location and status of everything the company handles. More customers are demanding "real time" information, and now Evans will be able to send out alerts when inventory falls below a certain level or a departing truck is more than 20 minutes late.

"It's hard to tell where computer systems end and value-added services begin," said John A. Evans, 38, who succeeded his

Evans Distribution

Headquarters: Melvindale
Founded: 1929
2003 Revenues: \$24 million
Employees: 220 (200 in Michigan)
Locations: Melvindale; Detroit; Howell; Devens, Mass.; and Suffolk, Va.
Information: www.evansdist.com

father as president two years ago.

That's not to say that investing in bricks and mortar has gone out of style. In May Evans opened a facility in Virginia to provide more services to an existing customer. A long-haul division was added in 2000 for the same reason, and the company now has 55 trucks overall.

According to the younger Evans, providing multiple services on a single job makes life easier for the customer and increases profits for the company. "Customers want to have one person to call for all their logistics needs, and hopefully that's us," he said.

Despite all the changes in the logistics industry, the elder Evans has found that gaining and maintaining the trust of customers remains the key to success, just as it was when he went to work in the family business in 1964.

"If there's one thing that has remained constant, it's the importance of personal relationships," he said. "You don't want to hand over millions of dollars of inventory to someone you don't trust."

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