

The 22nd Annual California Family Business Award Nominated Family Information Form 2011

FAMILY BUSINESS INFORMATION:

Company Name: JOHANSON TRANSPORTATION SERVICE
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Brief description of your organization and its principal product or service:

JTS is a third-party logistics provider, an NVOCC and a licensed ocean freight forwarder helping companies manage their supply chain with Justified Timely Solutions® that exceed their unique business challenges. Providing unmatched service at a fair price, JTS offers customized freight solutions including: dry and temperature-controlled TL, LTL, ocean and air; rail/intermodal; and comprehensive importing/exporting solutions with one point of contact. JTS adds value with logistics management, consulting and state-of-the-art technology systems with real-time online tools to facilitate seamless supply-chain communications for its customers. JTS is headquartered in Fresno, CA and has six regional offices in North America: Sacramento, CA; Tigard, OR; Salem, OR; Madison, WI; Denville, NJ; and, Orange Park, FL.

1. Family History

- Longevity:
The JTS (Johanson Transportation Service) story begins with our founder Richard A. Johanson. Richard was raised in the Fresno area, graduating from Kingsburg High School. At age 16 he enrolled at University of California, Berkeley. With the outbreak of World War II, Richard joined the Marines on his 18th birthday. After the war ended Richard returned to Fresno and took a position in the Sun-Maid® Raisin Growers shipping department.

On January 2, 1953 Richard joined California Trucking Exchange, a start-up truck transportation broker where he rose to general manager and stayed until July of 1971. During this time he gained valuable industry experience and developed many business contacts and friends, primarily in the dried fruit, dried onion and garlic industries. Experience, honesty, gratitude, and respect were the foundations for how he treated his customers.

After 18 successful years as GM with the broker firm, Richard decided to start his own transportation brokerage and opened Johanson Transportation Service on August 1, 1971. Operating with a staff of two from a storage room at a truck repair shop on Golden State Boulevard in Southwest Fresno, he soon expanded his business. In 1973, Johanson opened the first branch office in Wilsonville, Oregon, managed by his brother Howard. This office now is located in Tigard, Oregon.

From day one Richard incorporated into the new business a philosophy based on the core values of EXPERIENCE, INTEGRITY, GRATITUDE AND RESPECT. Richard's son, Larry Johanson, started working part-time with JTS in 1972, helping with administrative and bookkeeping tasks. In 1975 he was appointed to start the company's Perishable division – a challenge he met successfully, expanding the company's freight base from dry food commodities to fresh foods. Working full-time, Larry built up the Perishable business to a major revenue-producing entity – all while earning his BS degree in Business Administration from California State University, Fresno. When Richard retired in 1989, Larry took the reins from his father and was named President. With more than 20 years as the company's leader, Larry Johanson still holds the position of President/Chief Executive Officer today.

The company has seven offices operating in five states with approximately 70 employees, and is in the top ten national percentile for freight load and gross revenue volumes.

- **Secret of Success:**
Is an adherence to the core values we hold, our commitment to IT, and having a staff that contributed to rebrand our company as One company, One vision. It is in this commitment that we empower our staff to drive the programs we put out to our clients through our POC group and various committees.

2. Innovative Strategy

- **Competitive Advantage:**
The company was founded on raisin, dehydrated onion and garlic shipments. Today the company arranges for the transport of dry and refrigerated food products, as well as manufactured non-food items, throughout North America. These shipments are managed through our network of seven offices using private carrier fleets.
- **Major Strategic Adjustments:**
Several years ago we determined we needed viable programs to handle one to ten pallet shipments due to customer demand and our LTL Logistics division was born. These shipments are managed from our office in Salem, Oregon using a network of common carriers. Due to our volumes, we obtain discounted pricing that is far better than our shipping clients can obtain on their own. The Logistics division has grown substantially since its inception 8 years ago. In 2010, the division hit a record 100,000 LTL shipments. With the addition of the Logistics division we could now manage shipments from one pallet to a full trailer load.
- **Growth and Development:**
In 2004 we opened our Madison, Wisconsin office, which primarily handles the transportation needs of the dairy industry, shipping from Tulare County and other regions of the US. Our marketing department is also based in Madison. We recognized our sales and marketing efforts varied from office to office. We undertook a several year campaign to rebrand our company, developing our motto: JTS, Justified, Timely Solutions®, and JTS one company. We have redesigned our website, and developed all new sales and marketing materials. Our marketing director works with each operating division to custom design and implement sales and marketing campaigns targeted to specific customers and industries.

In 2005 we recognized we could not offer import/export solutions for our international customers. Consequently we launched our International division, which is managed from our office in Roseville, California. We are now a licensed ocean freight forwarder and NVOCC, handling exports to Asia, Western Europe, Mexico and South America.

In 2007, we launched direct contract pricing with several railroads, became an IMC (Intermodal Marketing Company), joined IANA (Intermodal Association of North America), and now offer intermodal transport services that are managed from our Roseville office.

Each additional transport service added since the company was founded has been driven by our desire to be a “one stop shop” for our shipping clientele.

Finally, and most importantly, in 1995 we recognized that embracing IT and using it as a driver to manage our business would be key to our continued growth and success. Our IT department was started by a 9-year JTS veteran, Dave Hiersche, who is now VP of Information Technology. He was assigned to develop our basic operating system. IT now resides in our Tigard, Oregon office, where we employ three full-time programmers, plus Dave Hiersche - VP of IT. All our operating systems are custom written for JTS and our clients. We are heavily engaged in EDI, scanning, and are moving now towards a web-based interface for our clients which will be functional early next year.

We have a tenured staff - many over 20 years - and quite a few between 10-20 years. We have a strong group of younger talented staff who are driving the direction and opportunities which lie before us.

Most importantly, as President, I feel I am the guardian of the corporate culture, EXPERIENCE, INTEGRITY, GRATITUDE AND RESPECT, and will make sure as we continue to evolve that these principles are always at the foundation of JTS and how we treat our co-workers and clients.

3. Incorporating family into the business

- **Family Values and Beliefs:**
The Johanson family holds the same core values and belief system that is entrenched in our business value statement of EXPERIENCE, INTEGRITY, GRATITUDE, and RESPECT. We believe you cannot have a conflict between personal philosophy and how you treat your customers and staff when you are a family-run business.
- **Family Involvement:**
Richard retired in 1990 but remains as the chairman of the board. He owns 10% of the company. Larry became president at that time, and serves in that role today. He is the majority owner, holding the other 90%. Larry’s daughter Amanda is a Long Beach State Graduate (2004) and works in the business while pursuing a law degree in Southern California. With degrees in Business Administration and Political Science and upon the completion of her law degree, she will be a highly qualified member of the company team. JTS also operates a farming division where Larry’s brother-in-law Jason is employed.

4. Succession issues

- **Succession Plan in Place:**
Larry has succeeded his father as President and CEO. Ownership succession has occurred between Richard & Larry. The next CEO is identified. The company is positioned to continue without a family member if necessary.
- **Degree of Preparedness for Emergencies:**
In the event of an emergency should Larry Johanson become incapacitated or deceased, the existing management team is empowered to function independently. They all have the talent, knowledge and authority to make major business decisions.

5. Contributions

- **Community:**
JTS is a regular contributor to the community and charitable organizations. JTS has made financial contributions to the following:
 - Alzheimer's Association
 - American Red Cross
 - ARC Fresno
 - California State Univ Fresno – Scholarship
 - Foundation for Clovis Schools
 - Fresno State Foundation
 - Fresno County Office of Education Foundation
 - Children's Miracle Network
 - Juvenile Diabetes
 - Marjaree Mason Center
 - Rotary Club of Fresno
 - Tree Fresno
 - United Way of Fresno
 - Ronald McDonald House Charities
 - Community Medical Center (Terry's House)

- Professional Associations:
Larry Johanson has contributed his time and efforts to:
 - Rotary Club of Fresno - past member. Served on the board of directors with three years as the Chairman for the Rotary District Youth Exchange Program.
 - Board member, Chairman of the Board of the Greater Fresno Area Chamber of Commerce.
 - Past Board Member Economic Development Corporation.
 - Board Member, Board Chair for 3 years for the Make-A-Wish Foundation. Conceived and started an event in 9 years which was all volunteer-driven and provided over \$1,000,000 to the MAW Foundation.
 - Board Member, Board Chair of Fresno Compact.
 - Past Board Member of the Ronald McDonald House.
 - Board member, past Board Chair for the Business Associates, Craig School of Business.
 - Current Board member, past Board Chair (3 years) for the United Way of Fresno County.
 - Current Board member, United Way of California.
 - Past Board member of Sunnyside Country Club.