



## Building Lasting Relationships

DACON Logistics Turns Experience and Technology into Dollars and Sense

When making major decisions, the best results come from careful analysis and astute listening. DACON Logistics draws on an experienced staff, years of good old fashioned know-how and honest business guidelines to build and maintain a successful, quality place to work and do business.

“ We customize solutions for clients. We don't walk in and say, 'This is our rate.' We listen first; then we discuss with them what we have and how it can solve their issues. ”

David Larr, CEO and Chairman, DACON Logistics



## AT A GLANCE

**DACON Logistics**  
[www.daconlogistics.com](http://www.daconlogistics.com)  
**INDUSTRY**  
 International Logistics  
**SOLUTION**  
 Magaya Supply Chain  
 Solution, Magaya Ocean  
 Carriers Interface with INTRA

*DACON Logistics of New Jersey provides global logistics services, including FCL, LCL, air, ocean, and ground transport, and other related services such as cargo insurance and dedicated freight forwarding through their subsidiary CODA Forwarding.*

What does it take to start your own logistics business and grow it by 400% in less than two years? Ask David Larr, chairman and CEO of DACON Logistics and he'll tell you it's all about relationships, technology, and listening.

When he decided to open DACON Logistics in July 2008, he built it using his sales and management background in banking and international shipping and hired others with important experience in all the areas needed to run a successful logistics company. Mr. Larr was the Senior VP at Norasia Container Lines, North America Region; Senior VP and Commercial Officer of CSAV Group North America; and President of the Americas Region for Emirates Shipping Line.

The team at DACON started with seven people and has grown to eleven. "Everyone here gets a voice in the process because of the valuable experience each person brings to the table," Mr. Larr said. "It's a family environment." Family is such an integral part of the business that the company names combine the names of David and his wife, Connie.

Connie is the Executive Vice President and has extensive experience in ocean shipping. Others in the office include his brother-in-law, Cademan Lillywhite, who is the office manager. Their manager in Asia started as an agent but joined DACON as the business grew in China. The operations manager brings experience in air freight shipping. Even the IT director has logistics industry experience.

Having the right mix of people is an important element of success. "Everyone is hand-picked. When we interview a new person, everyone in the office gets to meet them and provide input. We like to treat our employees like family. When push comes to shove, we know we count on each other."

DACON's corporate office is in Warren, New Jersey, but the business is global. They arrange shipping to and from almost any point in the world and subcontract warehouse space as needed. "We handle foreign-to-foreign shipments and provide the same level of service for all shipments not matter how local or distant they are." The majority of their business is ocean and related, value-added services. "If we relied solely on shipping containers, we would not be the success story we are today."

## WHY MAGAYA

When he evaluated different logistics software programs to start his company, Mr. Larr applied the same care and discerning analysis he used to select employees.

"I contacted Magaya and discussed what I was looking for in software that would help me make my company a success. I felt that Magaya fit the bill the best," Mr. Larr said. "It is a very user-friendly system and gives us the necessary tools to provide excellent service to our clients."

"We really like the logical flow of data from one transaction from another such as from the Quote to the Booking to Invoice," Mr. Larr explained. "Magaya makes it very simple to use the system. Anyone can pick it up, even someone who is not used to changing systems like me. That was an important factor in choosing Magaya. I needed to know that we could train new staff quickly. Our newest employee was up and running in two weeks."

Mr. Larr's experience in shipping formed the basis of the list of needs and challenges that he wanted software to overcome. He needed to communicate quickly and reliably with ocean carriers to book trips; he needed a program that streamlined the process of converting data from one transaction into another without redundant data entry; and he wanted a way to keep his clients informed about their shipments.

## THE BUSINESS BENEFITS OF TECHNOLOGY

DACON Logistics takes advantage of many features in Magaya software, including the online tracking system, Magaya LiveTrack. It is incorporated into their website so clients can log in from anywhere in the world and see the status of their shipments.

In addition to giving their clients 24-hour-a-day access to information via the online tracking, DACON also uses Magaya Transaction Tracking to send out daily alerts to each client. "We track and trace every single piece of freight we have in the system every day, and we send out alerts to our clients and agents. They don't even have to log in if they don't want to," Mr. Larr said. Keeping them informed has



been a contributing factor to retaining customers. “We judge ourselves by this; if the client has to call to ask where their cargo is, we failed.”

Many of their clients are other freight forwarders, some of whom have Magaya software also. “The Magaya system makes it very easy to transfer documents and other data to the forwarders. The system creates a bridge to allow documents to flow to another Magaya user in another company.”

Reducing costs is another benefit DACON has experienced by using Magaya software to send documents from one Magaya system to another. “It saves a lot of courier expenses, especially when we need to get documents to overseas agents and clients. We also avoid delays because the Magaya system is instantaneous. I recommended Magaya to a friend who is a freight forwarder in Colombia, and now he uses the software and we both save money and time.”

Since 70% of DACON’s business is ocean shipments, they also take advantage of the Magaya Ocean Carriers Interface with INTTRA to make booking requests. “In the past when we needed a quote from ocean carriers, we would email them. It was difficult to keep track of who responded and who hadn’t. Now we can manage the whole process more easily by transmitting the data back and forth from within our Magaya system. We also automated reminders that go out if we have not heard from a carrier in a certain time frame. When we are ready to create the quote, the system records all of our costs and then we send it out to the client.”

In addition to communicating with ocean carriers to make booking requests, they also receive the carrier rates and link them to their Magaya database using the Magaya API. Their in-house IT staff not only developed and maintains the company website with the shipping schedules, but also created this parallel procurement system to get rates from carriers and link them into their Magaya system.

DACON has turned their use of technology into a cost savings for their clients. They ship a variety of cargo for major corporations, from food to personal care products to home wares. “We provide them with Purchase Order management and give them visibility into their cargo

with the online cargo tracking system, which allows us to be an extension of their logistics department. When many companies are being forced to reduce head count due to the current economic crisis, we provide an economically advantageous solution that is not adding to their costs.”

Mr. Larr has been able to turn these technologies into a business advantage for his company as well, growing by 400% year over year. They also have plans to launch a trucking division, building on existing relationships in the trucking and rail industries throughout the US, Canada, and Mexico.

“Our clients are personally referred to us. I spend time with them determining what they want to achieve in terms of service levels. Only if it is a good match for them and us do we continue,” Mr. Larr explained. “We don’t walk in and say, ‘This is our rate.’ We listen first; then we tell them what we have to solve their issues. I get excited when we truly build a solution for a client. Their participation in the process builds a close-knit relationship. We are not just looking for a single, point-of-sale transaction such as a consolidation; we are building long-term, mutually beneficially relationships with our clients. This has led to our high success rate.”

## IN CLOSING

In addition to the operations features in Magaya software, DACON Logistics also uses the accounting features. “We run an Accounts Receivable report in Magaya three times a week for every client. We also send statements to clients from Magaya. We create Profit & Loss reports daily, process liquidations and agent commission splits – everything. Our accountant has seen the recent enhancements to the accounting features in Magaya and really likes them.”

The importance of relationships is the cornerstone of DACON Logistics. “The service level we have been able to provide using Magaya has allowed us to stay #1 with many clients. We have a 99% retention rate. The e-commerce tools and web presence is one of the things that clients judge a company by when selecting who they want to do business with. We value what Magaya has brought to the table.”