



Sandra Dearden, president, Highroad Consulting Ltd. | Photo: John R. Boehm

From this week's Focus

Taking the high road

By: Dee Gill October 06, 2008

No company that moves a lot of product likes today's fuel prices. But those that ship by rail can thank Sandra Dearden that costs aren't higher — a lot higher.

In 2003, Ms. Dearden's Chicago firm, Highroad Consulting Ltd., published a white paper showing that fuel surcharges had become a profit source for the railroads. The formula they used — as a percentage of the overall shipping rate — resulted in charges of up to four times the actual cost of the fuel, her research showed.

"For a company like us, it was a few hundred thousand dollars more a year," says Fabio Pettenati, vice-president of U.S. operations at Barilla America Inc., which ships wheat and other raw ingredients from processing plants throughout the Midwest to its pasta factory in Ames, Iowa.

Companies across the country used Ms. Dearden's findings to demand that regulators prohibit railroads from profiting on fuel surcharges. When the Surface Transportation Board began hearings on the issue in May 2006, Ms. Dearden, now 66, testified on their behalf.

The board's verdict: The railroads must change the fee structure. Now it's based on the number of miles the shipment travels.

"I was very excited when the vice-chairman called me with the verdict," Ms. Dearden says. "I knew my work was being taken seriously at the highest level."

Ms. Dearden isn't the only woman who has made moving people and products in, out and around Chicago more efficient. Although only 10% of the city's transportation jobs are held by women, according to the U.S. Census Bureau, some of those women are running the most-critical operations in the industry.

As chairman of the Chicago Transit Authority, Carole Brown oversees the city's trains and buses. Rosemarie Andolino, executive director of the O'Hare Modernization Program, supervises the \$6-billion reconfiguration of the airport to cut down on delays and allow more traffic. And state Rep. Julie Hamos, D-Evanston, chairs the Illinois General Assembly's Mass Transit Committee.

"We're seeing a lot of women in executive-level positions now, especially in the public sector," says Maggie Walsh, president of the Chicago chapter of Women in Transportation, a Washington, D.C.-based trade group. "Women have changed this industry because they give a lot more consideration to transportation in their own lives — about how children get from one place to another, how groceries and goods get moved. They bring that perspective when we're deciding where to put roads or bus stops."

MOVERS AND SHAKERS

Any Chicagoan who is moving to a new home or office has a good chance of calling Broadview-based National Van Lines Inc., run by Maureen Beal, or Chicago-based New World Van Lines Inc., owned by Shirley Marx. With more than 100 workers each, both are among the largest moving companies in the United States, according to the American Moving and Storage Assn.

And if the streets are clear the morning after a big snowstorm, it means Deborah Stange was up at 2 a.m. directing her company's fuel trucks to the city's snowplows. West Fuels Inc., which Ms. Stange started in 1991, also supplies emergency fuel to Chicago's police cars,

firetrucks and backup generators.

Noticing a lack of women in the industry, Ms. Stange, 50, started West Fuels to take advantage of government contracts that gave preference to female-owned businesses. But she quickly learned she could compete on another level: on-time service. Instead of giving customers a four-hour window for delivery, the norm in the industry, she lets them set a specific time. "If they wanted it at 8 a.m., they got it at 8 a.m.," she says.

La Grange-based West Fuels is the exclusive distributor for CTA buses, which use 30 million gallons of fuel a year. That work, plus a contract to supply fuel to construction vehicles involved in the O'Hare project, was the reason her revenue grew to \$20 million this year. "Being a woman-owned business certainly got my foot in the door," Ms. Stange says. "But we maximize that now because customers like our product and our service."

HER ROUTE

A long way from secretary

When Sandra Dearden took a job at Illinois Central Railroad Co. in 1969, women were relegated mostly to working as assistants. Despite her experience as a purchasing agent for an adhesive tape company, the railroad made her secretary to the chairman.

She was miserable. "It was one of those jobs where you had to look busy but weren't," she says. "I was in HR every day trying to get another job."

She was moved into a customer service job a few months later and then into sales, where she sold space on trains to companies that shipped chemicals, metals and machine parts.

In 1983, she became general manager of marketing and sales in the agriculture commodities unit at Chicago & North Western Railway Co. With a staff of 60, she was the only female railroad officer in the country.

She took an employee buyout offer in 1995, when Chicago & North Western was sold to Union Pacific Railroad. After several job interviews, she began to suspect that companies were using their job openings as an excuse to squeeze her for free advice on running their businesses. So she started her own consulting firm instead. Highroad Consulting Ltd. generated \$5 million in revenue last year helping companies find ways to cut their shipping costs.

Ms. Dearden, 66, has come a long way since her early days as a secretary. During a recent visit to the headquarters of Burlington Northern Santa Fe Corp. in Fort Worth, Texas, she realized how far women in general had come.

"They had a day-care center right there for parents who worked for the railroad," she says, "and it had lactation centers for nursing mothers."

Deborah Stange, CEO,
West Fuels Inc.

STEPHEN J. SERIO



The biggest part of Ann Drake's job as CEO of DSC Logistics Inc. of Des Plaines is helping companies find the cheapest ways to move product in and out of their warehouses. DSC, founded by her father in 1960, helps Wal-Mart Stores Inc. and other customers configure transportation routes and manages their warehouses.

As companies grew more desperate to lower transportation costs last year, Ms. Drake, 61, expanded warehouse services. DSC now repackages and shrink-wraps products in the warehouses — services that save clients the cost of transporting the goods to packaging facilities and brings DSC more money.

"Making it more of a science — being good at what we do — is important to reduce costs," Ms. Drake says. "With today's fuel prices, there's a real urgency."

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