

Canadian movers fight back

As if carrying out household and business moves all across the world's second largest country wasn't a big enough challenge, Canadian removals companies also have to contend with a flourishing black market. R&S spoke to John Levi, President of the Canadian Association of Movers (CAM) about how reputable moving companies are fighting back.

R&S: Can you tell us a little about the history of the CAM?

John Levi: The Canadian Association of Movers was incorporated in 1969, and consolidated a number of associations in the warehouse and drayage industries that had existed for many years before.

Since 1969, CAM has gone through several changes that were driven by market and regulatory situations. Most recently in 1996, the Association was reborn under the direction of several industry leaders. Cooperation was sought from the Government of Canada to help guide the Association to work with the industry and to enable movers to associate and discuss matters of mutual concern.

Since 1996, the Association has been gradually growing and is now viewed as the voice of the moving and storage industry in Canada.

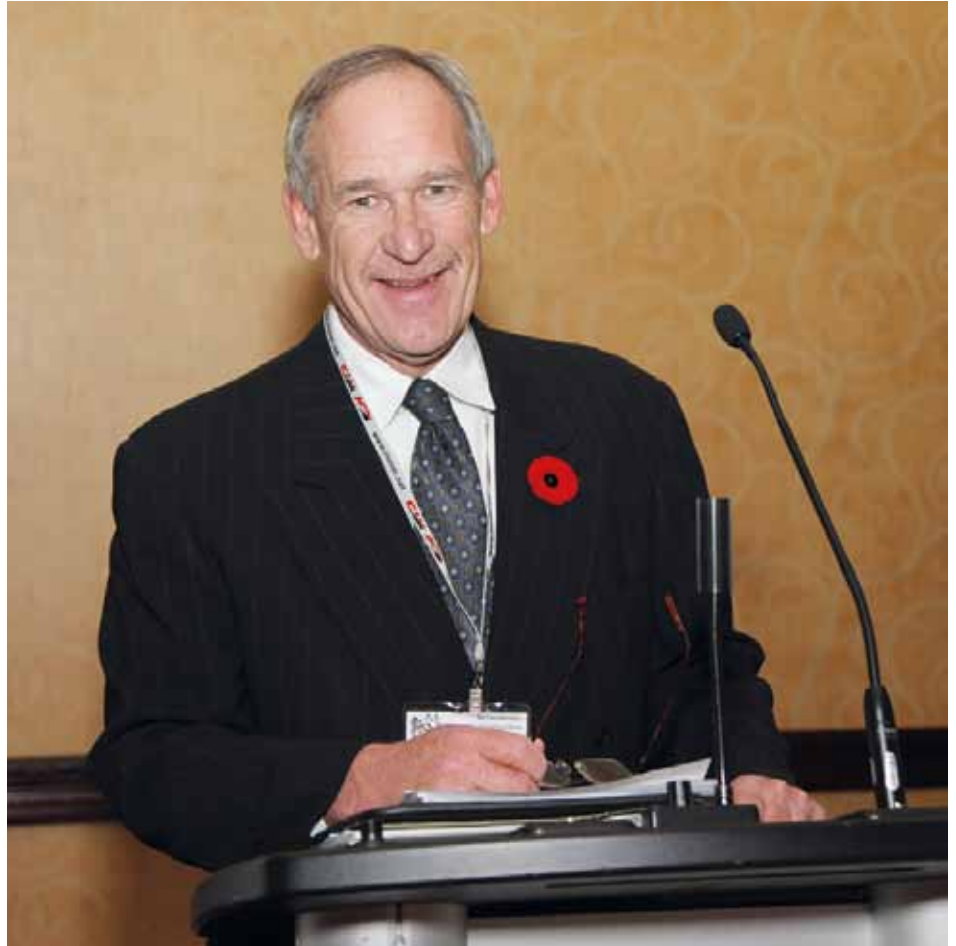
Like BAR, CAM is focused on improving the perception of the industry by consumers, from being an industry full of rogues to one where professional services can be obtained. To achieve this, CAM provides training and information services for members and a referral and information service for consumers.

It also has close working relationships with the consumer affairs departments within provincial governments and the Government of Canada and Canada's primary consumer protection agency, the Better Business Bureau.

R&S: What is the structure of the removals industry in Canada and of CAM?

JL: The Canadian moving industry is largely comprised of small businesses. CAM's membership structure can be characterized as a mirror image of Canada's moving industry, consisting of:

- Movers – these are primarily small businesses that perform local moves. Those that are affiliated with van lines act as origin and destination agents for long-distance moves. Some of those affiliated with van lines own tractor-trailer units and act as the hauling agents for the van lines. Those movers that are affiliated with van lines primarily perform local moves with only the occasional long-distance move.
- International movers – again, these are primarily small businesses that perform international moves. They act as origin and destination agent for the international moving community. It should be noted that moves between Canada and the United States are considered to be domestic moves.



➔ Ted LeLacheur, CAM's Chairman, addressing CAM's 2012 annual conference participants

- Suppliers – these small businesses provide the supplies to the industry – packaging, insurance, vehicles, uniforms, support services like furniture repair, etc.
- Van lines – in Canada, there are three major van lines. There are also a multitude of small movers that characterise themselves as van lines but that do not have the same standards. The van lines are affiliated with approximately 500 movers across the country and provide coordinating services for long-distance moves.

Together with the above groups, there is a group of hybrids that perform two or more of the above services and there are companies which own multiple mover, international mover or supplier locations. There are also other companies that do not clearly fit into any one of these categories such as those offering container services to consumers.

R&S: What are the main characteristics of the market?

JL: The market is primarily local moves – within about 60 to 100 miles from a mover's location. Long-distance moves within Canada can be up to 4,500 miles in length!

The Government of Canada is the industry's largest customer for long-distance moves comprising up to 45% of business in July.

The business is highly seasonal with the vast majority of moves occurring between June and September, to coincide with the nation's school schedule. In consequence, much of the labour force is seasonal and therefore temporary.

The seasonality of the moving business means that any trucking/warehouse related business must have its own committed fleet and warehouse space with only limited crossover in the use of assets between the two areas of business.

R&S: How closely regulated is the industry?

JL: The Canadian moving industry is largely unregulated, with very few barriers to entry.

There is a uniform set of conditions of carriage that is in force in most provinces, but rarely enforced. This results in an environment in which movers range from the very professional and reputable to the much less so and the generations-spanning businesses to the fly-by-night enterprises.

The regulations that do exist – consumer protection and conditions of carriage – are largely enforced very poorly. Were they actively enforced, they would be sufficient to protect consumers. Unfortunately they are not.

Many provinces have consumer protection regulations with departments that administer the regulations. However, a consumer's complaint may take a year or two to resolve and many consumers try to engage several resources, hoping at least one will result in resolution of the problem.

R&S: How do Canadian consumers perceive the removals industry?

JL: As elsewhere in the world, consumers largely view the removals industry and removals services as a commodity and feel that they should be able to get the best service at the lowest price.

The consumer is very price conscious and is seemingly unaware of the risks of hiring a rogue mover.

Customers are expecting top quality service at the lowest possible price.

It can also be very difficult to compete against a rogue mover who forgoes charging tax to consumers, which is illegal but can give them an advantage of between 5% and 15%.

This frequently leads to substandard service and damaged or missing goods. Of course, the result is unhappy consumers and significant fodder for television and print media. The Canadian Association of Movers is one of the resources consumers turn to, to

help them resolve their problems with movers.

Validation through a reputable trade Association is one method. Unfortunately, there are less than reputable trade associations emerging that validate both good and bad movers.

One of our hardest challenges is educating the Canadian consumer – they need to understand that the Internet is not always the best place to go to find a supplier of a moving service!

CAM has initiated a number of initiatives to reach out to consumers. Our press-release program provides timely articles to Canada's media. Our website gives consumers useful information in how to find a mover, how to obtain an estimate, how to find out if a mover is reputable and what to do if you have a complaint against a mover. Our relationships with the consumer affairs departments in provincial governments and the Better Business Bureau help to educate those groups in the legalities and regulations related to moving and, in turn, help to identify the reputable mover. It's all a matter of doing the most with the resources you have.

R&S: How are Canadian removals companies diversifying?

JL: Many CAM members have made successful investments in records storage, retail fulfilment and delivery, third-party logistics, container services, and the lucrative business of renting small storage units to consumers.

Our members are experts at moving household goods and therefore high-value products and this is a definite asset. For example, they can pick up and store retail goods until they are needed and then deliver them to the store. You can't just add on most of these businesses, however. It's something you have to be committed to year-round.

For example, record storage demand tends to peak at different times of the year. There is always open space in warehouses but it requires the hardware and the software to run a successful record storage operation.



➔ John Levi, President

These businesses are not something you can just ignore in the busy summer season, but they can bring in some major new revenue streams. Many of our members are investing in these new sectors.

R&S: How do you keep in touch with removals companies from outside North America?

JL: Movers from Canada and beyond will be gathering in Vancouver from 4-6 October this year, at the CAM 2013 Annual Conference, which will be held just before the International Association of Movers' conference in Vancouver that starts on the 7th.

CAM has established close relationships with associations from around the world, and the presidents and managing directors of BAR, AMSA and IAM will be participating in CAM's annual conference.

This speaks to the nature of the relationships and the importance of national and international associations working together for the worldwide benefit of the industry.

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Photo courtesy of Gino Di Nola, United Van Lines (Canada) Ltd.

➔ CAM's 2012 awardees and Board of Directors.

Back row (L to R): Directors: Doug Kellough, Tom Finlay, Jim Carney, Milton Letkeman, Ted LeLacheur, Perry Thorne, Steve Young, Cam Carswell

Front-row (L to R): Awardees: John Rausch, Randy Hoyt, Dale Iftas, Kevin Devereux – Directors: David Ogilvy, John Levi