1,350 MILES TO A NEW LIFE

New World Van Lines Moves a Disabled Vet Cross-Country
Three Generations of Success

Interstate Marks Its 70th Anniversary—and Looks to the Future

By John Bisney

Interstate Worldwide Relocation Services, based in Springfield, Va., marked its 70th anniversary this year. This large, independent mover, which has always been family-owned and operated, currently derives the bulk of its approximately $90 million in annual revenue from federal government business, but also has significant local real estate holdings.

The company traces its roots to 1943, when Arthur E. Morrissett, just 27, bought a used truck and began a firewood and hauling business, which became Ace Moving Vans. In 1967, as the United States was in the midst of building the interstate highway system, the name was changed to Interstate Van Lines, adopting the system's shield sign as its logo.

Although Morrissett enjoyed visiting customers' homes to provide estimates, his three sons—Ken, Don and Buddy—convinced him the company needed to grow. Ken, who remembers collecting newspapers to use as packing materials, took over finance and accounting. Buddy, a good motivator, handled operations, and Don took on fleet maintenance and acquisition. The firm soon acquired Universal Van Lines, which had a seven-state "nonradial" authority east of the Mississippi River, as well as an early freight forwarder authority.

Buddy Morissette is now semi-retired, and the third generation is now in charge. Arthur IV ("Bud") and John ("J.D.") Morissette first worked at Interstate as teenagers, starting at the bottom. After college, both returned full time in the mid-1980s.

"We gravitated to where there were needs—not necessarily where we wanted to go," said Bud Morissette. "I got involved with marketing and business development, and J.D. graduated and there was a need for an agency field guy. So it wasn't as much our special desires as it was survival of the organization—filling needs at the time."

Today, J.D. Morissette serves as president of moving services, and Bud Morissette heads Interstate Group Holdings, which comprises:
- Interstate Moving and Storage (local, national and international services for individuals, companies, the military and government agencies);
- Interstate Van Lines (household, industrial and office moving services throughout North America);
- Interstate Logistics (warehousing, transportation, distribution and supply chain management);
- Interstate Relocation Management (companies, government agencies and their employees); and
- Interstate International (international origin, destination and export control services for corporate relocations and commodities shipping).

Together, the companies employ more than 220 professionals, who conducted more than 19,000 moves last year with more than 300 vehicles.

**All in Favor?**

The business operates to some extent by majority rule—at least three family members must agree on a major decision. "It's kind of like a marriage of commitment," said Ken Morissette, adding with a smile, "Sometimes we think it would have done better without family involvement."

Making decisions by majority family vote "has been the balance that has kept our ship going in the direction that it has," he says, "Are there frustrations? Sure. Have we threatened to quit? Yes. But in the end we move forward."

The business would "probably not" have survived 70 years without the steady hand of the family, Bud Morissette said. "With the family association, there's a legacy pride that takes you through the tough times. If you don't have that connection and relationships, you just move on to the next opportunity, versus saying, 'Y'know what? We're gonna tough it out.'"

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"We haven't had too many failures, but we have learned from our setbacks," J.D. Morissette said. "We have always been sufficiently financially secure to recover, and we have never had an unprofitable year."

His uncle, Ken Morissette, described Interstate as "a very conservative organization. We have zero debt, which was a value instilled by my father." Bud Morissette acknowledged the philosophy was at odds with the go-go 2000s: "Some might describe us as potentially foolish, but we don't leverage. We think, given what happened over the past 10 years, we're definitely better off for not using our cash reserves that way. But there's also very little that we couldn't do if we wanted to."

The steady approach has paid off in other ways as well. Many employees have been there for decades, and one just marked 49 years with the company.

The company's location in the often recession-proof Washington, D.C., market has also been a plus. However, Bud Morissette admits that luck played a role in that. "This is where we were born and raised," he said. "It wasn't any strategic play." And, as Ken Morissette noted, labor costs can be high. Still, it has been very good for Interstate, with government business accounting for about 80 percent of annual revenues.

**Charting a New Course**

As federal spending slows, the company's strategy is to become less dependent on the government sector and to achieve a better balance in terms of customers and in the services provided to those customers. The Morissettes intend to focus on three "buckets" moving forward: civilian household goods moving and storage, logistics, and employee relocation and move management.

Bud Morissette said the company's strategy is also about becoming more of a single-source provider to its customers, no matter who they are. Interstate has explored such services as containerization and self-storage, and will conduct as many as 2,000 containerized shipments in 2013.

Still, the company has not purchased storage containers. "Right now we are making the decision about how to best accomplish each move—container or van—often depending on delivery requirements," J.D. Morissette said. "We use wood containers on freight trucks, since there is a lot of capacity in freight channels right now."

What does the future look like? With the industry flat, the executives know diversification will be key, especially in the off-peak season. One example is significant relocation and temporary storage for hospitals, which J.D. Morissette sees as hitting all three corporate goals: pursuing diversity, being opportunistic and acting as a single-source provider for the customer.
The brothers are the only two in their generation of six siblings to stay in the industry. As far as what comes next, the verdict is still out. “We’ve learned a lot about family businesses during the past 20 years,” J.D. Morrissette said, “so we may formalize some areas of succession. You must be a college graduate, as an example, and you must work five years with another business. So we’ll say, ‘Go out there, build your skill sets, learn as much as you can, so you increase your value to the organization when you join.’”

Out of the 15 family members in the fourth generation, the oldest is now 22 and is going into the biomedical field. “It’s too early to tell,” J.D. Morrissette said. “But they have all been offered an opportunity to work here, and some have even been invited back.”

John Bisney is editor-in-chief of Direction.