

The small building at the left is where Mac McCormick's father, Jim, started his trucking business in 1947.



MAC McCORMICK

BUSINESS LEADER OF THE YEAR

Mac McCormick was killed in an airplane crash on October 26. Indiana Chamber President Kevin Brinegar says, "Mac's accomplishments and successes will be felt for many years." The McCormick family accepted his honor at the Chamber's Annual Awards Dinner on November 8.

The challenges of operating a successful trucking business in today's highly competitive environment don't allow much time for reflection. C.J. McCormick III, known as Mac since birth, did, however, pause briefly to consider the "then" and "now" of Bestway Express.

"I think back to when I used to wash the trucks and trailers on the weekend by myself," says the current chairman and CEO of the Vincennes-based operation. "At the time, we had just the one office and I thought to myself, 'I can't imagine taking this whole facility.' (Today, the office itself consumes the entire original company space and the nearby shop is home to a large fleet of tractors, trailers and affiliated operations).

"Now, when I look at how many people we employ (more than 500) and how important that is to the local community," he continues, "I think, 'How did this all happen?'"

The short answers include persistence, finding a niche and providing exemplary customer service. Helping make that possible has been McCormick's strong leadership and a determination to succeed at all levels – at his own company, with business-related associations and organizations, and in the community.

"Mac is simply a shining example of what makes Indiana such a special place – business leaders who are able to grow their companies and provide good jobs, while also giving back in many other ways," states Kevin Brinegar, Indiana Chamber president. "The McCormick family has meant so much to Vincennes, the region and the entire state. This well-deserved honor recognizes Mac, his family and all the employees of Bestway Express."

On the court and on course

Like many young people in Indiana, McCormick recalls a youth that revolved around basketball and school. He was captain of the Vincennes Lincoln team that fell in the Indiana High School Athletic Association state semifinals two years in a row – to eventual champion Gary Roosevelt in 1968 and Gary Tolleton a year later, which lost in the championship to the undefeated Indianapolis Washington team that featured, among others, George McGinnis and Steve Downing.

An early education in the importance of work was part of the mix, whether it was on the farm or in other jobs that needed to be completed. "My parents valued hard work," McCormick notes. "The old saying is there are two things parents can give a child – one is roots and the second wings. Both of our parents gave us kids that, including lots of room to fail.

"I learned from my dad by example. He was always working. But both my parents enjoyed life. They showed us that working and enjoying life were not two different things," he continues. "They taught me a lot about taking risks. You're going to lose some, but if you calculate and make a decision, you should never look back. Those are valuable lessons."

Informal business and entrepreneurial training came in the teen years as McCormick and his cousin grew tomatoes. They would pick the crop during the day before hauling the product from Vincennes to a southside Indianapolis market for sale that evening. It was the top venue, he recalls, for selling the quantities they had produced.

"We weren't even in the gate and a guy offered us 30 cents on the dollar for the whole load," McCormick



Technology, and its role in driver safety, is a constant subject for Bestway and others in the industry.

Business Leader of the Year Winners

- 2005: David Frick, Anthem Blue Cross & Blue Shield, Indianapolis
- 2004: Jerry Semler, OneAmerica Financial Partners, Indianapolis
- 2003: Doug Bawel, Jasper Engines & Transmissions, Jasper
- 2002: Bob Koch, Koch Enterprises, Inc., Evansville
- 2001: Marilyn Moran-Townsend, CVC Communications, Fort Wayne
- 2000: Chris Murphy, 1st Source Corp./1st Source Bank, South Bend
- 1999: Bill Cook, Cook Group, Bloomington
- 1998: Ian Rolland, Lincoln Financial Group, Fort Wayne
- 1997: Patricia Miller, Vera Bradley Designs, Fort Wayne
- 1996: Randall Tobias, Eli Lilly & Co., Indianapolis
- 1995: John Hillenbrand II, Hillenbrand Industries, Batesville
- 1994: Frank Walker, Walker Information, Indianapolis
- 1993: Don Wolf, Hardware Wholesalers, Fort Wayne
- 1992: Dane Miller, Biomet, Warsaw
- 1991: Van Smith, Ontario Corp., Muncie
- 1990: Dick Wood, Eli Lilly & Co., Indianapolis



Bestway and its affiliated companies handle logistics for trucks traveling throughout the continental United States.

remembers. The partners avoided the temptation for the quick sale, however, and ended up getting top dollar when the “true buyers” came out between 2 and 3 a.m. “We made contact with a guy who bought most of our tomatoes that summer. We’d be up all night (as many as three times a week), but we got a pretty good education in economics.”

Recruited as a basketball player, McCormick ended up playing golf at the University of Tennessee. The hard work of the younger days took on a different form for the business major. He says golfers had to be out of class by noon, play the game from about 1 p.m. until dark, study, then do it all over again the next day. Success remained as the team qualified for the National Collegiate Athletic Association tournament his junior year and McCormick earned one of 15 at-large berths as a senior.

His strategy coming out of college: “I wasn’t going to move to Vincennes, and I was never going to be in the trucking business.” The plan to go to veterinary school never materialized, despite taking additional science classes at Tennessee and working at a veterinary office. Married and with a young son, McCormick says, “I decided I had to get responsible.”

Business opportunity

Working in the parts department at the McCormicks, Inc. truck dealership in Vincennes, he had the chance to buy four trucks and control a territory in the then-regulated market. But the original plan – to run the business for a year and then sell the operating authority for a tidy profit – didn’t work out as expected. Deregulation that was put into place completely changed the business landscape.

“When deregulation came, it was either sell the equipment and quit or try to build a trucking company,” McCormick states. “It was a free-for-all out there. Before deregulation, you would pay millions and get an operating authority. Now, you just had to get a route. The world was full of people who didn’t know what they were doing.”

McCormick puts himself in that latter category, with little to no knowledge about permitting, licensing, fuel taxes and similar issues in the early 1980s. His father may have been in the trucking business previously, but this was a totally different ballgame. Jim McCormick, who had sold his company a few years earlier, had often been away from home when his children were growing up. He had advised Mac not to get into a similar situation.

“It was a totally different industry (after deregulation). The only thing similar was that it takes trucks and trailers,” McCormick compares. “In the regulated world, you could go out, make a delivery and come back empty. Deregulation added so many carriers that you had to go out and find something to bring back. It turned into a big jigsaw puzzle.”

McCormick says the realization came quickly that Bestway was not going to be a mass volume company like a Hunt or Schneider. What was going to work, however, was a “focus on more dedicated round trips, time-sensitive routes and value-added services. You had to differentiate your service from everybody else. We got heavily involved in the auto industry. We put our people in their plants. We became an integral part of their business.”

Steady growth ensued. A big break came when McCormick was able to convince Johnson Controls (then Hoover Industrial, which had one of its 30 automotive seating plants in Vincennes) to allow Bestway to replace its private fleet. That helped spread the word about the company’s capabilities.

Despite the success that has come to Bestway, the nature of the business has not really changed. “It’s very intense,” McCormick shares. “It’s going to be that way when you’re talking about a 15-minute window for a 600-mile move.”

As Bestway evolved, McCormick created spinoffs or bought existing companies to handle



The role of co-chair of the Indiana Business for Responsive Government (IBRG) political action committee is just one way McCormick serves the Indiana Chamber and the business community. With McCormick (from left) are Mike Wells, Chamber President Kevin Brinegar and IBRG co-chair Jesse Brand. Brand and Wells are two of the winners of the Chamber's 2006 Volunteer of the Year awards (see Pages 42 and 46).

items such as:

- selling or repairing tractor trailers;
- industrial equipment rental and leasing;
- truck repairs;
- leasing;
- warehousing; and
- logistics.

While most support the efforts of Bestway, the division allows the truck line to focus on its core mission – moving goods from one location to the next.

Chamber leadership

Jesse Brand – president of Brands, Inc. in Columbus, one of the Chamber's 2006 Volunteers of the Year (see Page 42) and co-chair of the Chamber's Indiana Business for Responsive Government (IBRG) political action committee with McCormick – says the two friends share strong family backgrounds and political interests.

"It's a unique challenge to be in a family business," Brand offers. "Mac and I both had very strong, involved fathers. We talk about those similarities. Mac is a very astute, perceptive person. I learn something from him almost every time we have a conversation."

Throughout its history, IBRG has been led by partisan co-chairs. Brand is the tried and true Republican, with McCormick the Democratic counterpart.

"Mac is a great balance to me," Brand contends. "He's interested in doing the right thing for business in Indiana, not for either political party. He's helped me understand how working together is so important."

Family factor

The family roots run deep for the McCormicks in Vincennes. C.J. (Clarence James, best known as Clarence) McCormick was a farmer through the Depression who went on to serve as an undersecretary of agriculture during the Truman administration. C.J. II (or Jim), as the oldest son, became responsible for helping run the family farm at a young age. C.J. III says he has always been known as Mac.

"My grandfather was very active in the community and at the state level," McCormick shares. "When he came back from Washington, he was involved in community politics. He said, 'This is what you do.' My dad was the same way, probably even more so."

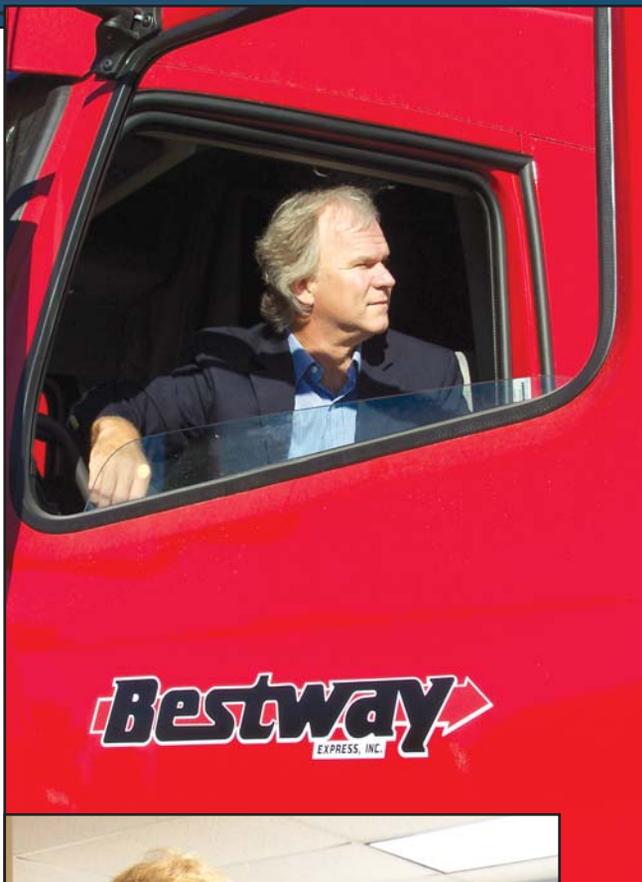
As strong political advocates, the McCormicks were supporters of politicians such as Birch Bayh and Vance Hartke. In fact, Mac McCormick and current U.S. Sen. Evan Bayh have been friends since childhood.

In prepared remarks for McCormick's October 31, 2006 installation as American Trucking Associations (ATA) chairman, Bayh notes, "I know he's going to do a fabulous job. I can say that because I've known Mac for many, many years, and he's not only been a successful businessperson, he's been active in community affairs and in philanthropy. His entire life has been marked by success and progress, and I know that this chairmanship will be no different."

ATA on the move

Mac is following his father as chairman of the ATA, the second father-son duo to both serve in that role in the long history of the national federation of state associations. Bill Graves, former two-term governor of Kansas, is president and CEO of the trade and safety organization. Graves' family has been involved in the trucking business for more than 70 years.

Pointing out that Mac previously served as chairman of the Indiana Motor Truck Association as well as the National Truckload Carriers Association, Graves asserts, "Mac has really stepped up and offered his leadership at multiple levels in the motor carrier industry over many, many



McCormick says he is able to utilize relationships with association colleagues to benefit his company and its associates.

years. Adding that his father and Jim McCormick were friends, Graves says, “Mac has a wonderful outlook about the industry. He has clear memories of both the good times and the bad, and what the industry has gone through.”

The public policy experience of Graves and McCormick’s desires appear to go hand-in-hand. “He understands there is an ebb and flow in business cycles. Mac would like to see our association much more engaged as a promoter of public policies, to help smooth out some of those ups and downs.”

McCormick claims he has reaped the benefits of his association involvement – from the early days of “going to meetings, breaking out and dispatching trucks or calling customers,” to now feeling comfortable calling the CEO of any major truck line in the country.

“Ninety-five percent of what I learned was through the trade association. I knew nothing when I started,” he admits. “I made up my mind I was going to get involved. These people are almost like family. When we were looking at an executive bonus plan, I called five CEOs and took a little from each of them, as well as sharing with them what we were going to do.”

Graves calls trucking a “very competitive, very entrepreneurial” industry, but adds that those factors bring industry leaders together. “Mac clearly enjoys the camaraderie and working together and has taken full advantage of the opportunities to continue to learn.”

Among the major initiatives for McCormick during his term as ATA chairman are:

- working toward the highway reauthorization act of 2009;
- congestion – “we have to look at highways differently than we have the last 50 years;” and
- safety – possibly truck-only lanes or other policies/technologies. “Europe is way ahead of us (in the technology usage). We can save thousands of lives, without any question.”

McCormick says part of his challenge is to “get people to think 20 years down the road.” Graves believes in the chances of success. “Mac has a very progressive, visionary view of where the trucking industry needs to go.”

Back home

The McCormick family has been strong supporters of both Vincennes University (Mac is following in the footsteps with current service on the board of trustees) and the community at large. What makes Vincennes, a place McCormick wasn’t sure he wanted to return to after college, so special?

“Growing up, I knew just about everybody there. They cared about me, and I cared about them,” he reflects. “If I got too far off the mark, it was not just my parents but hundreds of people who would push you back where you needed to be.”

McCormick credits his strong parental influences, the impact of coaches and a value system that appreciated hard work and included a refusal to lose. He moved his own family to his grandfather’s farm, where they also benefit from a quality of life that is difficult to match. He says he currently sees a lot of good things happening in Vincennes.

“I tell my kids that if you work hard, if you’ve got a decent product and you genuinely care about people, you’re going to be all right. We try to promote that culture in our company,” McCormick concludes.