



## Community Success Stories

### Kriska Holdings

[www.kirska.com](http://www.kirska.com)

Prescott, Ontario

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### INTRODUCTION

*This community success story case study is part of The Monieson Centre's Knowledge Impact in Society (KIS) Project, a three-year endeavour to connect academic knowledge with economic development needs in Eastern Ontario. This case study highlights best practices from a real business in Eastern Ontario. The KIS Project is funded by the Social Sciences and Humanities Research Council of Canada. For more information, visit [www.easternontarioknowledge.ca](http://www.easternontarioknowledge.ca)*

Kriska Holdings is an integrated logistics firm, based in Prescott, Ontario. Providing comprehensive transportation services across North America, this established, growing firm is a true rural success story. This paper will identify the success factors that have made Kriska an industry leader, as well as point to possible future endeavours to sustain continued growth. These can be used as valuable takeaways for other businesses and economic developers.

### COMPANY PROFILE<sup>1</sup>

Kriska is a privately held, family-owned Canadian corporation which began operating in 1978 in the city of Kemptville, with only 2 trucks. Over the years it has grown to over 385 tractors and 1035 trailers, and settled in Prescott, a town of about 4,000 people. Kriska's employee base has grown considerably to over 430 people, complimented by more than 115 owner/operators. The company has seen substantial growth over the past decade and has current sales revenue of approximately \$85 million. Kriska has diversified its business by expanding into the warehousing, driver training and logistics fields.

The company's extremely dedicated management team is known for providing customers with quality, courteous service for all transportation and warehousing needs, and has had the honour of being named a Platinum Club Member of Canada's 50 Best Managed Companies Award Program. This exceptional award focuses on Canadian-owned companies that have outperformed competitors, created jobs, achieved sustainable growth and excelled in their

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<sup>1</sup> "About Us," Kriska Holdings, [http://www.kirska.com/en/aboutus\\_profile.asp](http://www.kirska.com/en/aboutus_profile.asp) (Accessed Jan. 14, 2010).

hometown. Kriska's motto, "The Difference Is In Our People," defines their people-based approach to business excellence.

## INDUSTRY ANALYSIS

Kriska has strategically targeted food industry logistics and has built an effective niche operating with Fortune 500 companies within this industry. Kriska maintains business within the food industry due to lower freight, less pressure to squeeze prices, smaller percentage of food costs, and, finally, the industry's tendency to emphasize efficiency rather than cost, as food spoils quickly. Kriska selects Fortune 500 companies due to their high volumes, reliability and frequent return shipments to Canada when a load is delivered to the United States. There are numerous other segments within the trucking industry that can be broken down into the types of cargo the trucks carry, however Kriska has succeeded within the food industry segment.

Kriska has had to overcome many challenges since their beginning, most recently an ongoing recession; however, it has continued to grow organically as a company. Over the economic downturn, it was able to keep its revenues consistent due to its segment in the industry and maintain 100% of its employees. Over the past couple of years, Kriska has continued to grow as a company by acquiring four companies within its market segment. Kriska management believes they may have exhausted their organic growth opportunities as a company and are now looking into new areas of growth such as expanding their current logistics division in order to provide added value over similarly-sized trucking companies.

## KEY SUCCESS FACTORS

Some of the key success factors that have driven Kriska to be one of the top companies flourishing in Eastern Ontario are:

- **Overall Business Plan** – every year Kriska holds an annual strategic retreat for its top management to review the progress of the company and see where it can continue to prosper in the future.
- **Company Acquisitions & Organic Growth** – when the company was founded it was family-owned and management believed strongly in purely organic growth. Any acquisition undertaken by Kriska was well-planned, strategically executed and completed in a timely fashion.
- **Focus on Service Excellence** – this is done with clients, employees, contractors and suppliers. The goal is to provide the best possible services to all of its key stakeholders. For example, the company has a 98.6% on-time record for shipment deliveries and pick-ups.
- **Communication** – quarterly meetings are held where management discusses the previous and future quarters with all employees, resulting in an extremely low rate of employee turnover.
- **Innovation** – Kriska constantly tries to remain ahead of its competitors in technological capabilities, with recent upgrades to infrastructure at the head office.

- **ISO Certified** – Kriska has total quality management certification and always has a corrective action in place if there is a problem. Clients both appreciate and respect this commitment to quality.
- **Availability of Cheap Labour/Taxes** – being located in a small town like Prescott means that both the cost of labour and taxes are less than they would be if the company were located in a metropolis area such as Ottawa or Montreal.
- **Proximity to the Highway and Border** – Prescott is located approximately 5 minutes from Highway 401, a central highway for shipping goods across Eastern Ontario, and providing direct access to Montreal, Toronto, and several U.S. border crossings. The town is located roughly 40 minutes away from Ottawa and 3.5 hours from Toronto. It is also situated directly on the St. Lawrence River with access to a border crossing less than 10 minutes away, which is instrumental in providing on-time delivery to many of its U.S. clients.

## FUTURE OPPORTUNITIES

A strategic opportunity that Kriska is looking to invest in for the future is a logistics division. The current CFO, Pierre Carrier, thinks that the company has done as many trucking acquisitions it can currently undertake, so the next move is to expand its offered services. With a fleet of 400 trucks, Kriska is a medium-sized company that does substantial business with Fortune 500 and Fortune 1000 companies. A couple of its main competitors already have logistics divisions; using a logistics company for un-scheduled loads is expensive to outsource. Management feels that in order to bypass its competition and remain a strong company in the industry, it must expand its logistics division to save both time and money.