

## CAPITAL BUSINESS



ERIN SCHAFF FOR THE WASHINGTON POST

Arthur "Bud" Morrisette, left, and brother J.D. outside Interstate, the Springfield, Va.-based moving firm founded by their grandfather.

## At Interstate, movers have been professionals for 70 years



### Value Added

THOMAS HEATH

When I think of the moving business — boxes, books, furniture, stuff — I think of a job requiring strength, endurance, patience, a truck of some sort and not much else. It is one of life's tasks

from which this achy, 59-year-old journalist has disassociated himself.

Been there. Done that.

But that's not how the Morrisette family feels.

The Morrisettes own Springfield, Va.-based Interstate Moving, a 70-year-old business — a collection of businesses, actually — built around moving everyone from your typical homeowner and military brass, as well as super-expensive medical equipment from point A to point B, all with the smooth precision of a classical conductor.

"Movers are skilled professionals," said chief executive Arthur "Bud" Morrisette, 54, the third-generation family member to run the company, which grosses between \$87 million and \$100 million a year. His brother, J.D., is president.

Every new employee at Interstate undergoes 80 hours of training in a mock two-story home at the company's 30-acre headquarters.

They learn to navigate doorways, avoid bannisters, work around landings and "lift with the legs and not your back."

Like lawyering, painting or journalism, moving is all about preparation. That means mapping out the client's residence. It means expertly wrapping every last piece of furniture in a pad-wrap so that grandmother's antique Singer sewing machine or your treasured Stickley table completes the trip with its precious surface — and memories — intact.

"It's prep and technique," Morrisette said.

His grandfather, Arthur Sr., was such a believer in the preparation end that he patented his own protection system, called UltraPak, which the company uses to this day.

Interstate has 250 full-time employees who earn an average of around \$50,000 a year. Add 140 seasonal who were just hired to help with the big crush that is starting, well, today.

About half the population of



COURTESY OF THE MORRISSETTE FAMILY

The brothers were barely as tall as the moving truck's tire when this picture was taken in 1965. They're still together, 50 years later.

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the country moves during the summer, when school is out, with most of the traffic taking place around the end of the month or on holidays such as Memorial Day, when moms and dads have a day off.

Interstate carries the belongings of 20,000 customers a year on 300 trucks of various sizes, putting 4.1 million miles a year on the odometers. Those trucks are serviced by Interstate's half-dozen mechanics who man the company's garage.

I asked Morrisette: How much does it cost to move these days?

A local move for a typical house, condominium or townhome is about \$4,000. Long distance can cost up to \$7,000 from here to Chicago, and up to \$9,000 to reach the West Coast.

The Morrisettes pay cash for everything, including \$800,000 to \$1.5 million a year for new trucks. The company has been profitable for 72 straight years and usually earns a net profit of five to 10 percent of revenue.

"That goes back to my granddads' early days," Morrisette said. "He hated working all day and then paying

rent to a landlord."

Privately held Interstate has several lines of business, although the flagship moving company, Interstate Van Lines, represents the vast majority of revenue.

Domestic long-distance moves are the biggest part of the business, earning 55 percent of total revenue. The core part of that business is moving military personnel — including the bigwigs — for the Defense Department.

The next largest piece is its regional division, Interstate Moving & Storage, which accounts for 15 percent of revenue and mostly serves regular folk. The vast majority in this category are people (me!) downsizing toward retirement and younger people moving up to their first home.

"We see both sides of the life cycle," Morrisette said.

International moves account for about 10 percent of revenue — mostly consumers and corporate accounts moving from point to point around the world. Interstate has hundreds of global moving partners.

Another 10 percent comes from managing the relocation of government and corporate clients. This arm assists employees in selling and/or renting their homes and purchasing new homes, as well as moving them.

Morrisette said he loves the corporate relocation business because it has a multiplier effect.

"The sweet thing about that is the actual move is only one item of a whole list of entrées," he said.

The biggest margin business is known as supply-chain logistics, which is also 10 percent of revenue. This sector, which is almost 20 years old, has the best margins because customers are willing to pay a higher price to have super-expensive technical equipment such as computers and medical equipment moved without issue.

Logistics moved \$350 million in such gear from Walter Reed Army Hospital in the District to Bethesda Naval and Fort Belvoir Community hospitals.

It also moves data centers and computers for AOL and top Internet companies.

Only about 20 percent of Interstate's business is recurring revenue, meaning it arrives rain or shine. The remainder takes daily hustle.

"We are evaluated every day," Morrisette said.

Been that way since the 1940s,

when his grandfather — who was born in 1914 and had lost both his parents by age 15 — started the company.

A born entrepreneur and survivor, young Arthur quit his human resources job with the Department of the Navy and used \$450 to buy a used truck.

"Having that truck evolved into, 'Can you haul this away?'" Morrisette said. "There was no plan."

His Ace Moving Vans business was anchored in Southeast Washington.

By the 1950s, the moving business diversified into customer storage, for which he bought an old Quonset hut. He expanded into rug cleaning because his customers in those days had summer and winter rugs, so one was cleaned and stored while the other was on the floor.

By the 1960s, Arthur Sr. saw the rug business becoming marginalized because of the growing trend toward wall-to-wall carpeting. He and his three sons, Arthur Jr., Don and Ken, decided to stay with the moving business, locating the company in a 20,000-square-foot building the company had purchased on Howard Road in Southeast Washington, across the Anacostia River from where Nationals Park now stands.

They changed Ace's name to Interstate Van Lines after the Interstate Highway System gave Americans fast new ways to get around.

In 1971, the company moved to Springfield, where it built a 100,000-square-foot warehouse. With the new space, the company expanded beyond the East Coast and then continued to grow under the three brothers of the second generation.

The brothers diversified Interstate beyond the moving business so it could more nimbly navigate the economic downturns to which the housing industry is vulnerable — and, by extension, movers.

As they diversified, they also made at least one stumble: an ill-fated purchase of the much-larger Global Van Lines 15 years ago, which they sold within two years.

"It was an absolute disaster," Morrisette said. "But what it taught us is that we can play in our own yard and be successful, and we didn't have to go 3,000 miles and buy into something else."

Not bad when your backyard is popping about \$100 million into your business every year.

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