

## 1957-1979 Jumping into the transport pool

The Center City Philadelphia area in which 43 South 19th Street is located is a quiet tree-lined neighborhood, only a three-block walk from the prestigious business addresses lining the city's historic Rittenhouse Square.

But from this humble side street location on Sept. 12, 1957, a small group of entrepreneurs filed Articles of Incorporation with the Commonwealth of Pennsylvania for a business model that evolved into something that two of the most famous former city residents — William Penn and Benjamin Franklin — would be amazed by today.

As described in its official filing, the firm, to be known as Container Leasing, Inc., wished to “engage in the business of buying, selling, renting and/or leasing for hire all type of trucks, automotive equipment, railroad equipment, marine equipment, aircraft equipment, and containers of any type and description, and any other items of like nature used in the transportation of general merchandise of any kind whatsoever.”

A broad charter to be sure, and actually prophetic and forward-thinking at the same time. Yet, several decades and name changes later, the original legal entity remains in existence and in fact thrives as Trailer Fleet Services, a \$550 million revenue unit of the Equipment Services division of the General Electric Company.

And interestingly, the original goal — and more — is reflected in the current charter of the parent company: “GE's Equipment Services is a global provider of transport solutions for the world's supply chains. Offering a full range of equipment leasing and intelligence-based asset management and logistics services for manufacturers, retailers and shippers, Equipment Services enables the timely movement of raw materials and cargo for the global economy.”

By August 1959, the nascent Container Leasing company had a total of eight shareholders, led by the original majority owner, Solomon Katz. Katz was also president then of Strick Corp., a trailer manufacturer. When one of his executives there, William “Bill” Sennett, observed that customers were increasingly asking for rental trailers, the two men founded Rentco, a separate business that used trade-in vans from Strick to serve the rental demand.

Ultimately, Katz named Sennett president of his new Container Leasing business, and its legal framework was

used to form a new trailer rental business. Some things, it appears, were perennial areas of concern for the company. At a Special Meeting of the Container Leasing shareholders on August 29, 1959, the official Corporate Minutes reflect “a discussion toward the end of cutting expenses. In addition, there was a discussion of depreciation and tire amortization as reflected in the loss for the period.”

At the same annual meeting, in a foreshadowing of the intermodal business still to come, it was resolved that, “10 trailers be leased from Strick Trailers for release to The Baltimore & Ohio Railroad effective immediately.” In May 1966, Container Leasing changed its legal name to Transport Pool. The firm was operated from an office in California, and its first branch was in North Bergen, N.J. Other locations soon followed in Los Angeles, Chicago, Denver, Charlotte, N.C. and Trevese, Pa.

In 1969, Sennett hired an Australian immigrant, Laurie Weisheit, as a salesman and later a branch manager. By this time the rapidly growing firm had four divisions — West, Midwest, South and Northeast. Weisheit became the Western division vice president in 1970, and began opening branches in quick succession. Transport Pool expanded into Canada in 1967, and in 1969 it started Space Rentals, an office trailer division that later became known as Modular Space, one of the largest providers of temporary office and classroom space in the world.

Sennett and CFO Michael Morris moved the business into Europe in 1969 as well, opening a branch in the United Kingdom and a corporate office in Rotterdam, the Netherlands. By the end of that year, Transport Pool was operating 25 U.S. and five foreign branches. Transport Pool more than tripled its number of branches in the five years between 1969 and 1974, bringing the total to 96.

Retired 26-year executive Barry DeSantis recalled that Transport Pool's ability to focus on one thing — trailer rental — gave it an edge over much of its competition, which was also tied up in manufacturing. Another advantage the company had was its people. DeSantis said the firm was comprised of individuals who had experience in the transportation industry, whether their background was with a trucking company, manufacturer or leasing business. “The field felt empowered to run the business,” DeSantis explained. Senior leadership met with managers four times a year, he recalls, and growth opportunities were one focus of the meetings.

Managers were challenged to answer the question, "What's the next million-dollar idea?" As a result of these sessions, DeSantis says, the firm became the first national trailer rental company to introduce a mileage charge and a collision/damage waiver.

In 1971, a holding company of Transport Pool was listed by NASDAQ. When recession hit in 1975, the firm's stock dipped to \$2 per share. Minneapolis-based Gelco Corporation, a firm that leased cars and trucks to large corporate fleets, offered \$5 per share (about \$30 million), and Sol Katz, still the majority shareholder, sold the company. There were about 500 employees at the time.

Transport Pool's operation changed little under Gelco's supervision. The company was the most profitable segment of Gelco and changed its name to Transport International Pool, Inc., (TIP) in 1976 to reflect the global nature of its business. An aggressive marketing campaign spread the red and white TIP logo across every asset and branch. Sennett retired the same year, Morris became president, and Weisheit was named executive vice president in 1977, moving to Philadelphia to head sales and marketing.

Insurance director Pat VonPlato joined TIP in 1976, and recalls how employee orientation for headquarters staff in those days meant a brief branch "tour of duty." She noted, "While I was there I got a lot of the dirty jobs like helping with trailer inspections in the rain, and rolling tires around the yard in the mud. I remember thinking I don't want to work for this company, this is awful. Obviously I overcame that feeling, and I am glad I did because I had the opportunity to do a lot of different things and to work with some very exceptional people who taught me a lot about the business.

"In those days there was a lot of opportunity because the business was growing so fast," VonPlato added. "Many of us had the chance to work in several different areas like marketing, risk, strategic planning, and of course the insurance department, my own personal favorite. I like to think that we all helped to build a great company."

As a new decade approached, TIP had more than 100 branches and growth through opening new locations was becoming impractical. But trucking industry deregulation and changes in trailer specifications loomed on the horizon. Both would provide the company with a host of opportunities.