



**An Extreme Leadership
Culture Study:
Trailer Bridge**

Bridging the Gap with LEAP

When an organization loses its way and drifts into dangerous water, it's easy for the crew to give up hope – especially if it's been leaking profits for years and it never seems to see the same captain at the helm. Trailer Bridge was such a boat, but it found that Love, Energy, Audacity and Proof were the keys to renewed stability.

It was late in 2014 when the owners of Trailer Bridge called Mitch Luciano and asked him to take over their struggling marine-based freight transportation company. He had one condition: He didn't want the title of CEO.

Trailer Bridge, which primarily ships freight from its U.S. base in Jacksonville, Fla., to San Juan, Puerto Rico, and other ports across the Caribbean, had gone through four CEOs in three years. Luciano could see that, while the company had great potential, it needed a new direction and he figured the company didn't need another CEO.

"It already had a bad mojo around it," he said. "It just didn't seem to work out very well for people."

He settled on the title of president, and it was the first of many decisions, some far less symbolic, that would provide just the type of healing the company needed to recover from its near-fatal condition.

Luciano, who would reluctantly accept the CEO title at the end of 2015, was given two directives when he took over: One, fix the financial bottom line by increasing profitability. And, two, fix the culture. Just don't let No. 2 get in the way of No. 1.

As is almost always the case, of course, the two went hand-in-hand. An ailing culture is like a road block to the financial bottom line. So, he immediately began implementing ideas and best practices from his personal approach to leadership, which is based largely on the LEAP model of Love, Energy, Audacity, and Proof. That model soon became the heart of a formal leadership development program, and its tenets began to spread throughout the company.

Within the first year, Trailer Bridge saw dramatic improvements in the health of the company – financially and culturally.

"We're still in it," Luciano insists. "It's not over. We still have a lot of work to do."



To fully understand just how far they've come, however, consider the realities Luciano inherited:

- Trailer Bridge was founded in 1991, but it was emerging from bankruptcy in 2012 when Luciano joined the company as a vice president to start a logistics division.
- The company wasn't losing money when he was promoted to president in 2014, but it was only earning about a 1 percent return each year, far shy of 15-20 percent returns the ownership group expected.
- Trailer Bridge had gone through four CEOs in three years.
- The company had a reputation among customers as a low-price, low-service provider.
- The HR department had seen four directors in as many years and was known as the "rumor mill" – the place where rumors came to life and took flight.
- The overall lack of clear communication and consistency had created a lack of trust and low morale among the employees.

It's not over. We still have a lot of work to do.

- Mitch Luciano

Trailer Bridge

Founded: 1991 by Malcom McLean

Ownership: Multiple Investments Groups

Employees: 140

Services: A transportation service company that provides ocean, truckload, intermodal, warehousing, white glove, expedited, specialized cargo, vehicles, over-dimensional, and transloading

Client Industries: Include food and beverage, textiles, construction materials, plastics, packaging, medical supplies, and vehicles

Offices: Jacksonville, Fla., Mt. Pleasant, S.C., San Juan, Puerto Rico, Santiago, Dominican Republic, and Virgin Islands

TB12 Core Values: Deliver exceptional service to everyone; be kind and fair; be honest and fearlessly authentic; act with integrity; be passionate and determined; be flexible and embrace change; be accountable for your actions; build open and honest relationships with communication; create and be fun; be curious and adventurous; pursue growth and learning; and be fast and accurate.



On the positive side, the company had many great people who knew the business and how to execute it.

And while morale was scraping the bottom of the ocean, that meant it only had one direction to go – up.

“They were looking for anything to hang on to,” Luciano said. “I know some people don’t like the word hope, but I firmly believe in it. You’ve got to give people some hope.”

Previous efforts to revive the company had focused largely on processes – everything from expense reports to the equipment maintenance program. Those were important, but Luciano wanted to address the core problem, not just the surface-level symptoms. He wanted answers to deeper, more difficult questions, like ... *Why do people hate it here? Why do we have such huge turnover? Why is it like pulling teeth to get information out of people?*

“They didn’t look into those things, but I knew that’s what had to be done,” he said.

Luciano realized he had to make some drastic changes, and that it wouldn’t be easy. Trailer Bridge employed about 110 people, men and women ranging in age from 22 to 73 and with very different cultural and economic

He wanted answers to deeper, more difficult questions . . .

backgrounds. Gaining alignment among such a diverse group was a challenge in itself. Plus, the company’s employees – including the top-ranking executives on Luciano’s team – had very little appetite for another flavor-of-the-month change in leadership philosophy. In short, people worked in silos within a culture that focused on operational execution at the expense of relationships between co-workers or with customers.



Some of Luciano's initial changes were cosmetic, but meaningful, starting with his decision not to accept the CEO title until he had earned more trust as the company's leader.

He also lowered the walls of the cubicles so people could see each other and interact more naturally. He put in some new furniture and new carpeting. And he bought ping pong and foosball tables.

"Just kind of got with the times a little bit," as he put it.

He realized, however, that a meaningful turnaround would take time – at least three years, he thought – that the makeover had to go deep, starting from the top. First, he had to model the leadership he wanted to see in others. Second, he had to create a team that embraced and modeled that leadership approach. And third, the culture had to embrace and live the new values that would ultimately generate greater success.

"I don't think we ever said we would change the culture," Luciano said. "We talked about improving the environment and their experience. The objective was to make it a great experience for people."



Modeling LEAP

The team at Trailer Bridge didn't need another CEO; they needed an Extreme Leader who would shake up the culture, not just with symbolism, but with actions. Luciano knew he had to rebuild trust to create a new energy, and doing that started by getting to know the employees, getting rid of those who weren't interested in being part of the solution, and following through on his commitments. Here are few ways he did that:

What's in a Name Tag?

There was a popular television show in the 1980s called Cheers about a pub in Boston where, as the show's theme song promised, "everybody knows your name." At Trailer Bridge, however, it seemed like nobody knew anyone's name, much less anything about their lives.

"We had name tags everywhere," Luciano said. "I took them all down. I said, 'We shouldn't need name tags for 110 employees. We should know each other.'"

Luciano began making an effort to know, by name, everyone in the company. He would say hello every day. He asked questions, listened, learned their personal stories, and demonstrated that he cared. Then he asked the other top leaders to do the same – to get out of their offices and cubicles, interact with people, and show some kindness.

When some leaders complained that they didn't have time for that type of relationship building, Luciano challenged them to find it. For instance, he found that some of them were spending time on reports that weren't really needed. Create three useful reports and ditch the seven that no longer are helpful, he told them.

Luciano writes a personalized card to every employee on their birthday, collects drawings of Trailer Bridge trucks made by employees' kids, holds regular town hall meetings, and has an open-door policy that allows anyone to talk to him about whatever's on their mind.

"This doesn't take four hours a day," he points out. "It may take 30 to 60 minutes a day. There's not a line outside your door. You can still get stuff done. And if you're a leader, you're expected to be able to regroup and focus on what you're doing. If you can't, then there's something else you need to work on."

The L in LEAP stands for love, which begins with caring for people and for your work. That's what Luciano began expecting from other leaders, because that's what he wanted from everyone in the company.

"They weren't cared for; therefore, they didn't care about what they were doing, which passed on to customers and vendors, and ultimately was passed on to our reputation and led to bankruptcy," he said. "It's a direct correlation."

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Hire Kind People; Ditch Mean People

Luciano didn't arrive with an axe, but he didn't tolerate the cultural vipers who sucked the energy out of the organization. Within the first few months, for instance, he had easily identified the person who, as he put it, was the "biggest nuisance" in the whole company.

"We got rid of that person," Luciano said. "And I immediately built some credibility."

Luciano invested time with problem employees, and some of them began to change their attitudes. Others left on their own. And a few were fired.

"We had some negative people," Luciano said. "They just did not want to participate in the growth and the energy we were trying to create."

Luciano also knew he couldn't lead the change on his own. In addition to building trust and earning converts on the existing team, he had to "hire

people who had positive energy." One of them was Indie Bollman, who took over as head of HR in July 2015 and, among other things, developed the company's LEAP-based leadership program.

"Indie and I met in a Starbucks one morning," said Luciano. "Within five minutes of spending time with her, we both realized we were a perfect fit. She has exactly the energy I was trying to create at Trailer Bridge."

Bollman was the fourth HR director the company had hired in three years, so she spent her first few weeks just meeting people, asking questions, and doing a lot of listening.

"There clearly had been a lack of communication," she said. "My position did not have trust. I just had to put that out there as best I could."

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Committing to the Commitment

Some leaders have no trouble saying no – even when they are saying yes. Luciano wanted to create a culture where everyone’s yes meant something, a culture, in other words, where people did what they said they would do. Again, he had to model the big idea.

“The hardest part for me in those first few months was just committing to everything I said,” Luciano remembered. “If I said we were going to do it, I had to do it, come hell or high water. That was the absolute number one thing I had to do: Keep my word.”

In the old culture, employees might make suggestions and the leadership team might agree to implement them, but the ball often seemed to get dropped along the way. Then the blame game began. I gave that responsibility to so-and-so and they never did it. It’s their fault.

Luciano recalls a time when the company agreed to put in a new ice machine, but he realized a few weeks later that it never was done.

“I [personally] ordered the ice machine,” he said. “I

committed to it, so I had to do it.”

Another example, he said, involves recognition. He made a commitment to honor people who were shining examples of excellence, but he knew employees would watch closely to see who was recognized and for what. They wanted to see if the people doing great work, even those who went about it quietly, were truly the ones getting noticed.

Luciano knew people were watching him for inconsistencies. He knew the only way to build trust was to provide proof – a key component of LEAP – that he would be a man of his word.

One key, he said, is not to make commitments you can’t keep, which means leaders have to know when to say no. He said they take suggestions at every town hall meeting, but they don’t agree to implement them all.

“Somebody suggested ‘beer pong Fridays,’” he recalled, “and I said, ‘Guys, I would love to do that, but that’s a no. That’s something we can’t do.’ You tell them why, and they’re okay with it.”

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WHAT IS AN **EXTREME LEADER?**

An Extreme Leader is someone who puts him or herself on the line to change their piece of the company, organization, world for the better.

Value the Value

The emphasis on building trust and relationships never came with a hall pass for people who weren't doing their jobs well or who weren't willing to do their part. Luciano's approach includes a high-degree of accountability, it just doesn't include public floggings. And he makes sure everyone keeps their eyes on the business side of the business.

"We do this to make money," he said. "We're not a charity. Even if we were a charity, we would want to raise more money, so we could give away more money."

Everyone from the investors who own the company down to the lowest-paid employee wants and needs

to make money, and he makes sure every employee understands why that's such an important reality.

"You guys don't come in here and work for free," he tells the Trailer Bridge family. "You guys want to pay bills. You want to drive a newer car. You want to have a nicer house, nicer clothes. You want to be able to pay for your kid's education. That's why we do all of this, so we can make more money as a company and, in turn, help you live a life where you can have everything you need and hopefully get most of the stuff you want."

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Spreading LEAP

Several years ago, Luciano found himself in an airport with some extra time on his hands and nothing to read in his bags. He popped into a bookstore and picked up a copy of *The Radical Leap* by Steve Farber.

The book shares a fictional story about an executive who learns the value of Love, Energy, Audacity and Proof as a mantra for Extreme Leadership. As Farber released new books – *The Radical Edge* and *Greater than Yourself* – Luciano read those, as well.

“It meant a lot to me,” he said. “The stories behind these really hit home for me in everything I was doing.”

So, when Bollman, his newly hired director of HR and corporate development, proposed a leadership development program for Trailer Bridge, Luciano gladly agreed and asked her to read Farber’s book *The Radical Leap*.

“She read the book over the weekend, and came to see me the next Monday morning” he said. “She put the book down, eyes wide open, and she goes, ‘This is it. This is exactly what I want to talk about.’”

Bollman then read *Greater Than Yourself* and used the two books to craft her customized three-part training program for Trailer Bridge. Later, she read *The Radical Edge* and added it to the mix.

“I think that began to cement our way of leading our people, which is in alignment personally with Mitch and the way he leads,” she said.

Bollman, with Luciano’s input, developed the program and began training employee groups of 15-20 at a time with the objective of creating a common leadership philosophy and building team unity.



Steve Farber

Phase 1: Learning LEAP

The first phase laid a foundation around Love, Energy, Audacity and Proof, and included assessments that allowed each leader to receive anonymous feedback from others.

“It was difficult,” Luciano said. “I got mine from 15 or 16 people, and it took me a while to swallow that pill.”

The first round allowed the leaders to analyze their personal strengths and weaknesses, get to know each other better, and build better communication skills.

“They really believed in each other after that, because they got to know each other,” he said. “They got to know where they struggle, where they succeed, and that was a big deal.”

One of the more challenging parts of the first phase came when Bollman and Luciano introduced the “love” component of LEAP to a leadership team that included former Marines and veterans of the Navy. Luciano saw a look in their eyes that told him they weren’t much

interested in any touchy-feely approach to leadership. The Love component, he explained, might include a hug here or there if that fits your style and that’s what someone needs. But it’s really more about consistently respecting others and taking care of their needs.

“Kindness, to me, is love,” he said. “I really focused in on the emotional side of love and things like respect, kindness, and loyalty. Those are all things that create love.”

He also gave them tangible examples of what love looks like in leadership.

“Love is when someone walks into your office and says, ‘Do you have five minutes?’ and you know it’s not going to be five minutes, it’s going to be 30,” he said. “You know it as soon as they walk in, and you turn your computer off, and you look them in the eyes, and you pay attention to everything they have to say, and you actually hear them.”

The Extreme Leader strives to



Cultivate **LOVE**

Do what you love in the service of people who love what you do.



Generate **ENERGY**

Generate more energy when you walk into a room than when you walk out of it.



Inspire **AUDACITY**

How are you going to change the world?



Provide **PROOF**

Prove yourself through significant, observable, daily action- do what you say you will do!

Phase 2: Growing Others

The second phase of the Trailer Bridge leadership program used *Greater Than Yourself*, a book that promotes the idea of mentorship and helping others become their best. This was particularly important, Luciano said, because Trailer Bridge had developed a culture of information hoarding. (Imagine an office with knowledge piled like stacks of dusty, old newspapers.) Some leaders hoarded information because they feared releasing it might contribute to their obsolescence. Others simply didn't trust anyone else to use the information correctly.

"We had to make them think about who on their team could they teach and really share information with," Luciano said. "Then I had to make a promise: 'Guys, I'm not asking you to teach them so I can get rid of a \$100,000 salary so I can have a \$60,000 salary doing the same thing. That's not my goal.' Again, a moment of trust."

Most of the leaders who went through the program bought into the idea, but at least one resisted to the point where he was let go.

"If you're a hoarder of information, you're no longer valuable to me," Luciano said. "If you feed and educate those around you, then you're more valuable. Those who were hoarders,

they're no longer a part of Trailer Bridge. Actually, the last hoarder was let go about a month ago. He thought all of his customers were his. I said, 'No they're ours. We pay you for that information.' So, finally I said, 'You're out. I can't take it.'"

One of the success stories was a customer service team leader named Amanda who worked long hours putting out fires because she wasn't delegating properly. At one point, Luciano told her that consistently working so late indicated she was either understaffed or doing things wrong. "Which is it?" he asked.

She had to learn to invest more in her team, which caused her some pain on the front end, but eventually benefited everyone. Soon she realized that people will make mistakes when allowed to make their own decisions, but, overall, they usually make the right decisions for the company.

"Now she can leave at five o'clock if she needs to leave at five o'clock," Luciano said.

What was the most impressive was she developed her own account management program and began training her team to execute it.

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Phase 3: Sharing the Edge

Bollman built the third part of the training, which focuses on customer relationships, before reading *The Radical Edge*. When Luciano saw the outline for the training, he realized he had forgotten to give her that book. He gave it to her, she read it, and then she realized she had already instinctively included the book's central theme into the final part of their training program.

"It made perfect sense," added Bollman, "If LEAP is the foundation of your leadership, using that same mindset to care for each other and your customers just naturally follows."

With that, Bollman incorporated *The Radical Edge* and its teachings about adopting a radical level of service internally and externally into the program.

"It made perfect sense," added Bollman



Massive Results: Living LEAP

Trailer Bridge is two years into its plan to revitalize the business, and the results have been astounding – for the team, for their customers, and for the business.

Winning for the Team

The employees of Trailer Bridge have gotten more from the cultural transformation than a chance to play ping pong on their breaks. The training also helped them define the culture they wanted and the type of leadership they wanted to see. One of the things that emerged from the training, for instance, was the formalization of the company's values – what they call the TB12. They used anonymous surveys to learn how people felt, although as they built trust, Bollman points out that more and more employees began openly sharing their ideas that help the company formalize its values.

“It has changed the team and how they interact on a large scale,” Luciano said, “because they know they are heard and what they think matters.”

Graduates of the training also make nominations on who should be in the next class, which gives them ownership in the succession planning process.

The feedback surveys now use LEAP-like language. Instead of recommending the traditional “start, stop, continue,” the teams now focus on “love it, learn it, fix it” to plan their next steps. That's now also part of the employee reviews, which now are done once a quarter and last less than 15 minutes.

“They meet more often, and they can course correct more easily,” Bollman said. “It just opens up that channel of communication and trust.”

Employees are happier and more engaged. The evidence is found in the decrease in turnover, in the increase of employees recommending Trailer Bridge to their friends, and in independent surveys on employee satisfaction.

In 2016, just a year into their transformation, the Jacksonville Business Journal put Trailer Bridge at No. 8 on its list of best places to work in the city out of 350 businesses in the “large company”

category. In 2017, Trailer Bridge was No. 1 in its category.

Luciano loves the honors from outside the company, but he especially enjoys the first-hand accounts of how things have changed. Employees have told him they had been “hanging on for the paycheck” for 10 years, but now they love their jobs and their co-workers and that their lives are better.

Happier, more fulfilled employees have become a recruiting tool for the company.

“Our employees are bringing us quality candidates,” Bollman said. “If that's not enough, the people who apply on our website are quality talent. I didn't see that coming, but it's changed that whole process.”

The hiring process also uses the Greater Than Yourself approach to search out candidates who naturally embrace the LEAP mantra. They not only talk about LEAP and what it means with candidates, but they include questions that have little to do with skill and everything to do with attitude and character.



“I can teach them how to do almost anything, but I can't teach character,” Luciano said.

The question Luciano said he typically starts every interview with now is, “Tell me about yourself.” When the candidates start reciting his or her resume, Luciano stops them and asks again. He wants to hear about what's important to them, and not just with regard to work,

because whatever they value away from work will come with them when they arrive for work.

Once, two of his account managers brought him a candidate they believed was perfect for a job opening. Luciano asked her to tell him about herself, and she started talking about her dead cat and her dead aunt and her dead fiancé.

“All this bad energy filled the room,” Luciano said.

His account managers both quickly decided she wasn't perfect for the job.

“At least we saw this energy now,” Luciano told them, “because if we had hired her, we would have seen it later. It would have just killed the culture.”



Winning for the Customer

Customer surveys by Trailer Bridge two years ago painted a picture of the company as a bargain carrier that primarily won business by competing on price. Now Trailer Bridge is seen as competitive on price but its advantage for customers is in its commitment to service.

For example, two years ago, the company sailed twice a week, but often would simply cancel a trip if the barge wasn't at least 70 percent full. Why? Because the expense didn't justify the revenue the freight was producing. As a result, customers lost faith that their freight would arrive on schedule. After the leadership adopted LEAP, however, they decided to "always sail," regardless of capacity, because that is how you keep your word to the customer.

The employees of Trailer Bridge also are much more solutions focused. They might not be able to do exactly what a customer wants, but now they're willing to look for an alternative idea that will address the root problem.

Sometimes they find solutions even when there's no direct financial incentive for the company.

One customer, for instance, arrived to pick up a dump truck that he bought and had shipped to Jacksonville from San Juan. When he tried to drive it away, he discovered that the truck was dead. Three Trailer Bridge employees helped him get it started but the truck broke down on a nearby highway. So, the Trailer Bridge mechanics came out and got it running. The customer sent Luciano a two-page thank-you note.

"Your angels saved my day," he wrote. "I didn't know what I was going to do. I was going to be stuck sleeping in a dump truck on the side of the highway. Instead, I called them, and they were there to help me. They had no reason to help me. They didn't gain anything out of it. I just want you to know what amazing people you have working at Trailer Bridge."

The letter brought tears of joy to Luciano's eyes.

"They went out and did their own thing," he said. "That's why I take pride in my team. They do these things on their own. A perfect stranger to them, but they did it, and that's what matters."

*And... Extreme Leader's must pursue the **THE OS!M***

The Oh Shit! Moment that occurs whenever you're taking a risk, tackling a new challenge, or pushing yourself beyond your limitations. As an Extreme Leader, your **OS!Ms** will happen as a result of you taking a **Radical LEAP every day.**

Winning for the Business

As customers realized they could trust Trailer Bridge with their shipments, business increased and the number of times they sailed at less than 70 percent capacity dropped dramatically. Two years ago, they typically sailed at 75-80 percent full, and now their average ship sails at 95-100 percent capacity.

“That had a huge impact on our results,” Luciano said. “That obviously had direct results on our bottom line.”

They also have seen an increase in customer retention. The company lost an account with a major U.S. auto manufacturer because a competitor provided a lower price. Now that customer is looking for a way out of the contract because the service has been so poor. It wants to return to Trailer Bridge.

It's more than just a box.



“That’s the only account we’ve lost in the last couple of years,” Luciano said, “and we’re gaining accounts hand over fist.”

Trailer Bridge also recently signed a five-year partnership with J.B. Hunt Transport, one of the nation’s biggest intermodal and supply chain logistics companies.

“They had the faith and trust in us, and seeing our environment, they wanted to work with us,” Luciano said. “That gave us some credibility in the marketplace, too.”

In 2015, Luciano’s first full year as president of the company, returns went up to 20 percent, a number they’ve matched or bettered each year since.

Still, Luciano sees Trailer Bridge as a work in progress.

“It takes years to build a culture, and you can tear it down in a day,” he said, “You have to keep doing it. You have to keep focusing on it.”

Anchors in the Storm

Few things test an organization's culture like tough times that result from things outside of its control. All too often, a company turns things around and gains some momentum from a few successes, but then discovers that the foundation wasn't strong enough to hold up in a storm.

Not Trailer Bridge.

As summer turned toward fall in 2017, one of the worst hurricane seasons on record devastated parts of Texas, Florida, and the Caribbean. Among the storms was Hurricane Maria, which passed over Puerto Rico on Sept. 20, 2017 and caused catastrophic damage with its winds and flooding. Everyone on the island lost power for weeks and many of the 3.5 million residents lost their homes.

"As soon as it was clear that Hurricane Maria was headed to Puerto Rico," Luciano said, "we began filling containers with goods for our team and their families there. It was important to us to not only support our family there, but to also ensure we sustained full operations for our customers and the relief effort of Puerto Rico."

When the company could have hunkered down and waited for the seas to calm, Trailer Bridge not only continued its operations but increased its liner capacity. The expansion allowed for an additional 300 containers as it sent multiple weekly sailings to San Juan with millions of pounds of relief goods for the islanders.

"With the amount of damage left behind by Hurricane Maria, it is clear that it will take some time for the island to rebuild," Luciano said a few weeks after the hurricane. "We have seen an enormous outpouring of support for the people of Puerto Rico, our team there, and thank everyone

that has supported them and their loved ones. The efforts of many to help communities on the island, along with the incredible spirit and strength of the Puerto Rico citizens will no doubt see them through this challenging time. Our hearts are with all of the people of Puerto Rico. We are proud to stand firm with them during this time and grateful for the opportunity to provide the relief they need and deserve."

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