



## *Being ready for the long-term*

### **As I see it** **Ian McLean**

*President, Cardinal Couriers Ltd.  
Mississauga, Ontario*

Long before most Canadian companies were hunkering down for the recession, Toronto-based Cardinal Couriers Ltd.—whose clients include some of the largest national and international firms in a multitude of industries, including automotive, agricultural, high tech, industrial, manufacturing and retail—was already in full swing, preparing the company for a possible downturn. In part, this was due to the fact that Marian Plante, the company’s CFO, is an avid follower of the economic landscape worldwide and was able to identify the dark grey clouds on the horizon long before the mainstream media, says the company’s president, Ian McLean. “You cannot afford to ignore the macro economics,” he says. “If you’re going along and you’re not paying attention to the world oil prices or what the Canadian dollar is doing or what’s going on with the U.S. economy or the European economy, you’ll be caught off guard. If something happens in Europe and all of a sudden the banks get nervous, it’s not going to be too long before your local banker is knocking at your door saying the price of funds has gone up or they’re not available any more. So I think you ignore the macro economics at your own peril.”

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The innovative, mid-sized company, which has doubled its revenue in the past 10 years, used a highly-effective approach for identifying problems early on, thanks to a considerable amount of time and effort it has spent over the years in sharpening its strategy and measuring performance. “Our strategy and our plan have allowed us to be very focused,” says McLean. “Because of that, we understood what the objectives were so when we started to waiver a little bit in volume about 26 months ago, we actually hoisted the yellow flag a bit earlier than a lot of companies. We started taking steps to ensure our profitability if volume declined—which it did. There was a precipitous decline in volume over about 18 months, which reached its pinnacle in February 2010—and then we actually started seeing quite a dramatic turnaround for Cardinal where we started growing at 6% over last year.”

McLean believes that the company’s focus on alignment not only helped Cardinal better prepare for the recession—and weather its challenges—but it has also given the company a strong foundation for making informed and strategic decisions moving forward into the recovery and beyond. “We’re trying to come out of the gates early. We don’t want to be one of those companies that finds itself in boom times still tight and not spending so we’re trying to anticipate growth in the economy to make sure we position the company for that.”

Despite its already strong focus on performance management and strategic alignment, this summer Cardinal took yet another step towards improving its performance management and measuring processes, drilling down deeper than ever before. “Really our strategic plan informs our tactical execution at every point,” says McLean. “The people in the company, the executives and directors know that if they’re planning on doing something at a tactical level and it doesn’t align with the strategic plan, then there’s really no use in talking about it very much. If there’s no alignment there, it doesn’t make sense. Taking that aligned approach in all we do really helps focus the entire organization in determining goals. It’s a team and we’re all going in the same direction.”