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Democracy Dies in Darkness

Capital Business

Logenix's niche: getting to tough-to-reach spots

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Ron Cruse got into the shipping industry out of little more than a desire to be in the Midtown section of New York City.

The disgruntled Wall Street employee was frustrated with his location, so when he started searching for a new job, he made moving north a priority. Cruse ended up with a firm focused on shipping, mostly related to setting up corporate offices abroad, and has never left the industry.

Now he heads Alexandria-based Logenix International, which he founded a decade ago. The company ships supplies to tough-to-reach places all over the world — from provisions for the Pentagon to perishable vaccines. The company acts as a general contractor, dispatching ships, aircraft and vehicles to get supplies to Africa, Iraq, Afghanistan and disaster zones such as Haiti. Logenix primarily works with contractors to agencies such as the Pentagon and the U.S. Agency for International Development

The company's work at one point was largely in Iraq, but as the military pulls out, Cruse said he doesn't expect business to slow. In particular, Logenix is looking toward Egypt, Libya and other countries affected by the Arab Spring and in need of infrastructure improvements.

The company's model is based on knowing the rules and regulations of every country it serves so it can process through efficiently and avoid burdensome delays and fines. Cruse said Logenix's staff is detail-oriented, tracking port congestion, religious holidays that could slow bureaucracy and even difficult weather.

For Cruse, this process has been perfected over about 25 years in government contracting. After starting with the New York shipping firm in the late 1970s, Cruse moved to Los Angeles, where he worked on a contract to send hospital supplies to Saudi Arabia.

When his employer experienced financial trouble in the mid-1980s, Cruse saw an opportunity to start his own business. He spent about six months in the District, feeling out how contracting would go and figured out that many shipping firms were unfamiliar with the paperwork and processes that go along with delivering supplies to other countries.

He built up his business — particularly finding growth opportunities in supporting infrastructure efforts in Russia following the collapse of the Soviet Union — until he sold it in 1996.

By 1998, he had left the company and in 2000 — following the end of his noncompete agreement — Cruse was ready to start anew. He hired many of his old staff members, and by September 2001 was holding a final meeting before the company's official opening in October 2001.

Then, Sept. 11 hit. "This is a deal changer everywhere," Cruse said he thought at the time. "This could be [one] for us particularly."

Quickly, much of Cruse's work was focused on Afghanistan and then Iraq. He said Logenix played a role in setting up medical capabilities in Iraq, including delivering 600 medical clinics.

The company also delivered to Iraq power equipment for a water plant, radio and television broadcasting equipment and supplies for contractors setting up elections there, Cruse said.

Overseas Lease Group hired Logenix in late 2010 to ship dozens of fuel trucks to Afghanistan, said Mark Badcock, vice president of operations at the company.

He cited Logenix's knowledge of the market in allowing it to complete the move on time.

As operations wind down in Iraq, Cruse said Afghanistan will be an area of focus for a considerable time, and he expects work in Africa to continue as the company pursues new opportunities.

Kim Wertheimer, an executive vice president at competitor CEVA Logistics, said logistics have taken a more prominent role as supply chains have become more complex and corporations more global.

"Companies like ourselves are basically connecting the dots," he said.