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All Pro Now driver Tim Kahoe uses straps to secure a load in the back of his Sprinter van. | MICHELLE JARBOE/CRAIN'S CLEVELAND BUSINESS

THE HOME STRETCH

All Pro Now Delivery aims to be the Uber of last-mile logistics

► **BY MICHELLE JARBOE** It's 8:30 a.m. on a Wednesday when Tim Kahoe hops into a Sprinter van outside a farm-like office complex in Westlake.

Over the next three hours, he dashes among warehouses in Strongsville, Brecksville and Solon, dropping off packed pallets to manufacturers. As Kahoe navigates winding roads and sips an energy drink, his phone pings, signaling another addition to his route.

By the end of that mid-October day, Kahoe and his fellow drivers at All Pro Now Delivery finished 109 jobs, transporting everything from payroll envelopes to automotive parts. It was a near-record run for a startup company trying to position itself as the Uber of last-mile logistics.

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"THE PANDEMIC HAS REALLY, IN THE PAST YEAR AND A HALF, CAUSED HUGE DEMAND FOR THIS TYPE OF BUSINESS."

— Matt Knittle, All Pro Now Delivery president and chief operating officer

Deal gives ports more breadth to issue bonds

JobsOhio to put \$50 million into reserves for regional funds to boost real estate, business

BY MICHELLE JARBOE

A new contract between JobsOhio and six port authorities promises to boost funding for real estate and business projects across the state.

The private, nonprofit economic-development corporation is putting \$50 million into reserves for five regional bond funds, including programs sponsored by the Cleveland-Cuyahoga County Port Authority and the Development Finance Authority of Summit County.

That deal, the result of 18

months of discussions, will give the ports the collective wiggle room to issue hundreds of millions of dollars in additional bonds.

The investment-grade bond funds provide fixed-rate, long-term financing for business expansions and, increasingly, public infrastructure costs associated with private development.

In Northeast Ohio, for example, the Cleveland and Akron-area ports have issued bonds tied to corporate headquarters buildings, the Cleveland Cavaliers' suburban

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Products and problems

The EY-Innovation Hub at Nottingham Spirk wants to do innovation differently

BY KIM PALMER

For Ernst & Young, opening up an Innovation Hub as it did last week in Cleveland is not anything novel.

EY has been on the forefront of the global explosion of business accelerators, incubators and innovation centers as the need to fast-track business growth and tech adoption has become more urgent.

And although the EY-Innovation Hub is one of more than a dozen such facilities the global tax and professional services giant has in North America alone, it's the collaboration with Nottingham Spirk, the 50-year-old design, engineering and commercialization firm, that makes it unique, said EY's Jerry Gootee.

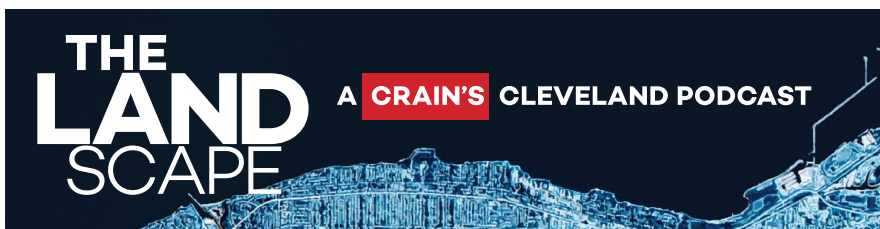
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Representatives from Ernst & Young and Nottingham Spirk cut the ribbon officially opening the joint Innovation Hub on Tuesday in Cleveland. | CONTRIBUTED

Q&A WITH CHRIS GESSNER

Being independent 'helps define the culture,' says the new leader of Akron Children's Hospital. **PAGE 6**



LOGISTICS

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"The pandemic has really, in the past year and a half, caused huge demand for this type of business," said Matt Knittle, the company's president, co-owner and chief operating officer. "There are components in manufacturing that people just can't afford to wait for."

All Pro Now isn't the typical building enterprise.

Formed in June 2020, the company is an offshoot of All Pro Freight Systems Inc., a formidable trucking and warehouse operation based in Westlake. The businesses have overlapping ownership, with All Pro Freight founder Chris Haas as the majority shareholder, and common offices.

Where All Pro Freight hauls loads in tractor trailers and straight trucks, though, its small sidekick relies on a fleet of sleek Sprinter vans. While the parent company caters to corporate clients, All Pro Now is trying to reach beyond businesses — to shoppers who need help transporting furniture, large televisions and other unwieldy purchases home from stores.

Knittle ramped up the business side of the operation in October 2020, with the rollout of an app that lets customers place and track orders online. All Pro Now started making overtures to consumers in the spring.

So far, business-to-business demand is besting their expectations. Residential users are proving much harder to reach.

"Building that awareness just takes time," said Knittle, 49, who has worked in logistics for major package carriers, retailers and manufacturers of health care equipment.

Courier businesses are nothing new, of course. Northeast Ohio is home to established delivery services including Bonnie Speed Logistics, Mercury Messenger & Freight and Top Dawg Delivery and Logistics.

But All Pro Now is trying to stand out by piggybacking on a well-known brand and touting its tech-



A forklift operator at Komar Screw Corp. in Brecksville pulls a loaded pallet out of an All Pro Now Sprinter van.

|MICHELLE JARBOE/CRAIN'S CLEVELAND BUSINESS

nology.

The company worked with Appscrip, a developer based in India, to come up with a simple interface. The All Pro Now app allows customers to enter their pickup location, view nearby vans and box trucks and get a delivery quote based on distance and travel time.

After placing an order, a customer can trace the delivery to their loading dock or door.

Delivery pricing starts at \$35. The typical residential customer pays \$45 to \$60, Knittle said.

The cost of business deliveries is all over the place.

Kahoe has picked up a load on one side of a suburban warehouse, only to drop it off at the other end of the building. He's been dispatched as far as North Carolina — an anomaly for All Pro Now, which

makes most of its runs in Ohio, with forays into Michigan and Pennsylvania.

"That's probably been my favorite part about this job," Kahoe said of encountering new corporate customers. "I never realized how much industry actually exists around us. You just don't know unless you actually see it."

Some of those clients, like the Cleveland Browns, had existing relationships with All Pro Freight. Brad Melland, the football team's director of equipment operations, used All Pro Now last season to transport jerseys and laundry.

"The timing of it was kind of impeccable with COVID," Melland said, since the team's in-house seamstress suddenly had to work from home and the organization was trying to reduce its interactions

with outside vendors.

For HMS Industries, a Westlake-based bearings supplier, All Pro Now filled a gap when a long-time local courier service shut down. Before signing on with Knittle, HMS also used its own small van for deliveries or overpaid for space on trucks that port modest loads for multiple customers, said Neal Saluja, the company's senior business operations manager.

"Last-mile service is a service that is tough to come by — and one that we need to utilize a lot," Saluja said.

By the end of this year, Knittle plans to expand All Pro Now's footprint to Florida, where All Pro Freight has a presence in the Orlando area. In 2022, he hopes to reach into Georgia and North and South Carolina.

That growth depends on hiring more company drivers and independent contractors, at an entry-level rate of \$15 an hour.

Knittle also is trying to make inroads with retailers, in hopes of forming a pipeline to residential customers. A few chain furniture stores in the region quietly are passing out All Pro Now's information to shoppers, but consumers account for only 2% of the business.

That's frustrating to Knittle, who believes there is an unmet need for swift transport of purchases that won't fit in a typical car or SUV, particularly at a time when supply-chain snarls and labor shortages are causing delivery delays.

"Our messaging has been difficult," he said, citing early calls from consumers in search of moving companies. "We have one person per vehicle, so we can't do complicated unloading."

Anne Schuerger learned about All Pro Now in August, when she was buying outdoor furniture for a condominium in New York. The 100-mile trek from Northeast Ohio was beyond the store's delivery area, so the retailer gave her Knittle's business card.

After playing with the app, she was sold. Her furniture arrived right on schedule.

"If I were to purchase something where delivery wasn't practical or possible, I would definitely use those guys again," said Schuerger, who lives in Sheffield Lake.

Customer Ken Markovich stumbled upon the service last year, when he saw All Pro Now vehicles parked outside the company's headquarters. He was on his way to rent a truck to move items out of a storage unit.

Instead, he stopped and picked up the phone.

"I've probably used them 20 times, if not more," said Markovich, who lives in Avon Lake. "I simply do not even think about renting a truck or getting friends or other people to help move stuff. I just use my app. ... Within 30 minutes or less, they're at my location."

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HUB

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"What is new is to have an innovation hub and connect it to a real company, one that's making real products, creating intellectual property with game-changing ideas. Nobody's doing it in the world right now," said Gooatee, EY's Global Advanced Manufacturing Sector leader.

The facility is the culmination of a \$4 million renovation of Nottingham Spirk's 60,000 square foot historic headquarters located near University Circle and Case Western Reserve University. The buildout included a \$1.5 million research and development grant from the state's private nonprofit economic development organization, JobsOhio.

Clients in Cleveland, as in EY's other innovation hubs and labs, have access to the firm's wavespace methodology, which leverages a global network of experts to help work through the development of new business models and products, or to help drive technological transformation. Each EY wavespace specializes in one or more capability, such as the Internet of Things, artificial intelligence, blockchain, cloud technology

or cybersecurity.

Gooatee said that what makes Cleveland's manufacturing innovation hub different than others is that after clients work out a product idea or come up with a process fix, instead of waiting until they get back to their facilities to try out the idea, "they can go downstairs" to the production space in Nottingham Spirk — the company that creates the Spinbrush and the Twist & Pour paint can, among other innovations — and prototype the idea.

"People want these collaborative spaces," said Michael Goldberg, associate professor of design and innovation at the Weatherhead School of Management at Case Western Reserve University. "These business accelerators are an acknowledgment by corporate America that it is very difficult to innovate from within."

Opening an accelerator is a strategic decision that allows big corporations to stay relevant and competitive in a rapidly changing economy, he said, adding, "These experiments in innovation are now an 'and,' not an 'or,' to how business needs to operate."

Manufacturers, in particular, are grappling with the joint mission of taking advantage of emerging mar-

kets while transitioning to the next generation of advanced manufacturing.

The Cleveland hub's capabilities were designed to accelerate product ideation and commercialization, along with technical adoption to improve processes efficiencies.

"Tell me what is your biggest issue, the one you can't solve. Let's see if we can tackle that issue with some new digital technology and bring something new to the table," Gooatee said.

Another distinction unique to the Nottingham Spirk hub, Gooatee said, is partnerships with companies such as Microsoft, Nokia, PTC and SAP that provide its digital technology platforms. Massive LED touch screens cover the walls of one room of the facility where clients and visitors are introduced to "digital twin" technology using these software platforms to collect data. The screens are filled with a virtual representation, or "twin," of the physical product.

The displays receive real-time information from sensors located throughout the device; everything from the mechanical performance, temperature, energy usage and even weather conditions are captured, displayed and processed. Each machine's specific data is aggregated



Attendees at the ribbon cutting for the EY-Innovation Hub at Nottingham Spirk listen to a presentation.

and reported back to a central hub where inventory and supply chain information is added, along with AI learning and even predictive models all demonstrating the value of digitization.

"You walk into the space and all

sorts of digital applications come to life," Gooatee said. "You can experiment with the combination of hardware and software, which is where most products are going."

The predictive modeling applications keep production lines up and