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San Francisco startup beats the clock with local delivery companies

Grand Junction beats the clock with local delivery companies

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Same-day delivery is here to stay. From groceries to burritos, services like Google Express, Postmates, and Deliv can bring you whatever you need whenever you need it.

But lesser-known Grand Junction is shaking up the high-cost world of delivery-on-demand by taking it local, and it's making more deliveries than those other three companies combined.

San Francisco-based Grand Junction is an online platform that enables businesses to offer same-day delivery to their customers. By paying for access to the platform, businesses gain access to Grand Junction's network of 700 mom-and-pop delivery companies across the U.S. and Canada. The cost to retailers varies based on the amount of deliveries made, Grand Junction said.

Grand Junction founder and CEO Rob Howard said the platform leverages existing local delivery companies, reducing the amount businesses spend by up to 40 percent. That's a win-win for companies who want to roll out same-day delivery without soaring costs, Howard said, and for



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smaller delivery companies across the country.

“We’re kind of like the quietest company in local delivery,” Howard said. “We’re behind the scenes, running the show, which is a great place to be.”

Coordinating more than 3 million shipments per month, the company says it became profitable in 2014. Its revenue is up 200 percent over last year. Customers use Grand Junction’s system to coordinate local delivery drivers in real-time, and use features like invoice payment and GPS alerts.

After Howard sold his previous company, a third-party logistics provider called Ensenda, he decided to use the capital to launch a startup in 2013 with a new approach to delivery.

“Being in San Francisco, you hear it too – there are so many startups offering delivery services, like ones that deliver cookies,” Howard said. “We are a really great alternative for them to expand to new markets. If you’re making cookies, you shouldn’t be managing a delivery infrastructure.”

Amazon recently launched Amazon Prime Now, providing free one- and two-hour delivery services to its Prime customers. Howard said Prime Now is the best thing to ever happen to Grand Junction, because other retailers will have to compete. “Grand Junction is the antidote to Amazon same-day delivery,” he said.

Grand Junction also has an office in Philadelphia.

Chicago-based foodservice equipment distributor Edward Don & Co. began using Grand Junction last year. “If I were to integrate with the carriers directly, the resources I would have to deploy are pretty significant to manage that process,” said Mark Zabloudil, the company’s vice president of operations.

Keys to success

Team: Starting a company with the right people is important. Howard started Grand Junction with 11 people from his network at his previous company, Ensenda. “If you have high integrity and credibility, that’s how you’re going to be able to recruit people,” he said.

Timing: Howard said it’s a challenge to start a company at just the right time. Starting too



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early requires a lot of capital, but starting too late means never catching up to competitors. “If you hit it just right, lots of market risk is removed and the challenge becomes managing growth,” he said.

Focus: There are ways to become distracted as a young company, and Howard understands saying no is hard, especially when it involves early customers. “We had the opportunity to service some really small accounts, and frankly they’re almost as much work as the bigger ones,” said Howard. “It was really tempting to bring on a bunch of small guys ... but we might not have been able to take care of the big customers once they came.”

Grand Junction

What it does: Connects local delivery companies to provide a same-day delivery platform in U.S. and Canada

HQ: San Francisco

Founder: Rob Howard

Founded: 2013

Funding: Capital from sale of Howard’s previous company, Ensenda

Employees: 20

Growth: Revenue is up 200 percent from last year

Website: grandjunctioninc.com

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