

Established Port Family Embracing Containers

POSTED: 01:42 PM Friday, October 22, 2010

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Editor's note: The following story is part of CityBusiness' 30th anniversary coverage, which will take place through the month of October, culminating with a special issue Oct. 29.

Stuff comes in, stuff goes out.

That was the essence of Mike Kearney's business in the 1970s and 1980s. The stuff was commodities, such as coffee and cotton, and they would come in and out by ship, rail and truck. Kearney's warehousing and distribution business, which has passed through various joint-venture names and is now called the Kearney Cos., would unload, store and reload.

It was a good time for port business in New Orleans, a magnet for bulk and break-bulk cargo. Then came containers and the emergence of China. Trade became simpler and more complicated at the same time. U.S. markets developed a taste for Asian-produced consumer goods, which arrived in stuffed containers.

Containers made everything more efficient. Fewer middlemen were needed along a shipment's journey. Other commodities went into containers. Cotton, for example, is almost completely containerized now, Kearney said.

"Less of it comes here because we don't have a direct service to Shanghai," Kearney said. "The carrier, he is trying to get all of his import containers back to China to reload again, so he is offering very attractive incentives for that box to move over Savannah or ... Long Beach."

Enter Kearney's son, David, in 2004, and his expertise in logistics, a buzzword for specialized, all-inclusive cargo transport services that turned the Kearney Cos. into a "one-stop shop" for shippers, David said. It's the kind of adaptation that a maritime port-based freight specialist must be proactive about.



The Kearney Cos. Vice President David Kearney, left, and President Mike Kearney, review purchase orders in the company's warehouse on France Road. (photo by Frank Aymami)

"What we've done is inserted our facilities and cross capacities to allow customers to change routings, whether it goes from container to truck, container to rail or container to storage," David said. "In the old days, it was all just one way or not. You didn't have the options you have now."

The younger Kearney learned logistics technology through his work with shipping giant Maersk and before that with APL Logistics, a global supply chain management company. He had always wanted to work for the family business and, in a way, he always had. He grew up painting white sanitation stripes around coffee warehouses, but when it came to his professional career, he said wanted to do it the right way.

That meant acquiring outside experience and choosing the right time to come home.

"My father always encouraged that," he said.

The Kearney Cos. was the right company in the right market to apply his skills, David said, and he would have joined regardless of bloodline.

"Being in the family business has just made it more fun and, I think, more rewarding," he said.