

## Banyan Technology brings shipping business online

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Lance Healy, left, and Jim Walborn founded Banyan Technology in Elyria. The company provides a Web-based service that manufacturers and others can use to compare freight shipping prices. Banyan works with 3,650 carriers shipping to about 600 locations. The business partners are standing inside a trailer at customer JBC Technologies in North Ridgeville.

### About Banyan Technology

**Location:** Elyria

**Product:** A Web-based system that lets companies quickly compare shipping prices.

**Employees:** 10

**Inspiration:** Co-founders Jim Walborn and Lance Healy had a Web-based concrete supply business and were frustrated that there was no easy way to find the lowest shipping rates.

**Price:** Customers pay a monthly subscription fee that varies depending on level of service.

**For more information:** [banyantechnology.com](http://banyantechnology.com) or 1-800-835-1274.

Jim Walborn and Lance Healy knew it wouldn't be easy to bring the shipping industry into the 21st century.

But they also knew if they found a way, the service would be invaluable.

Companies that regularly use outside freight carriers, such as manufacturers, typically have to check several Web sites and make multiple phone calls to compare prices for each shipment.

It's a tedious and inefficient process, Healy said. And for companies that make dozens of shipments a day, it's practically impossible.

He and Walborn founded [Banyan Technology](#) four years ago. The Elyria company offers an online subscription service that helps clients find the best prices on shipping.

The Web-based aggregation system, which is customized for each client, makes it easy to quickly compare prices side by side.

Shipping is the third largest expense behind labor and raw materials for most manufacturing companies, Healy said. And Banyan clients, on average, see a 33 percent variation in shipping quotes for the same job, meaning those who don't shop around could be losing a ton of money.

That's what Healy and Walborn were worried about when they came up with the system.

They met in 1998 through a construction trade group in Cleveland.

At the time, Walborn was selling concrete products for the construction industry, while Healy was helping inventors develop new products. One of his major clients was in the construction field.

"The Internet was starting to come around and essentially Jim wasn't a computer guy," Healy said. "He said, 'Let's get together and figure out something we can do that takes my current business and applies it to the Web.' It wasn't long before we went from a bricks and mortar company to an online materials exchange."

The partners' original venture -- called [ConstructionBrokers.com](#) -- was a Web-based system that allowed customers to compare prices on construction materials. They acted as middlemen responsible for delivering products from sellers to buyers across the country.

"Freight became a very large aspect of knowing what the price for the end product was going to be," Walborn said.

They wanted to get the best deal on shipping, so they searched for something that would allow for a quick price comparison of freight carriers.

When they couldn't find anything, they created the software application themselves.

Their automated system, which they came up with in 2001, crawls carriers' Web sites and aggregates rates, shipping times and quote numbers based on information the user inputs about the shipment.

Smaller carriers that don't have a Web system are solicited by e-mail, text message or phone and asked for a quote. Healy said most respond within minutes.

"The original construction of the application was really just for our own use," Walborn said. But they soon saw interest from others in the industry.

In 2003, Walborn and Healy decided to make the shipping comparison service their primary business and renamed the company. They left their Westlake offices and warehouse and moved to the [GLIDE](#) technology incubator in Elyria, which is on the campus of Lorain County Community College.

They polished the system and added features. Clients can track shipments and transfer shipping information to other information management systems. They can also easily generate standard paperwork, such as bills of lading and shipping labels.

"What we were solving on the freight site just outweighed the effort to keep Construction Brokers driving," Healy said.

Jill Wallace, traffic manager at [JBC Technologies](#) in North Ridgeville, said using Banyan has freed her to do other things at the mid-sized die-cutting company.

"Trafficking is a small part of what I do," she said. "I've always had a full plate. Now I spend more time doing customer service and accounting as opposed to the freight."

Because Banyan customizes its service to each company, JBC can continue to use carriers that it already has relationships with, Wallace said. "It saves you so much time from making phone calls."

Profits from Walborn's previous business, and investments from friends and family, had sustained Banyan until 2005. Increasing expenses and a loss of a major customer, which went out of business, lead the company to seek additional capital.

Since then, Banyan has raised more than \$1 million, including \$650,000 from [JumpStart Inc.](#), the Cleveland venture developer, Healy said.

Banyan moved out of the GLIDE incubator in 2006 and into a new office building around the corner, dubbed the [Entrepreneurship Innovation Center](#), in Elyria.

"It was a natural thing to stay local," Healy said, noting that most of the company's employees live nearby. He doesn't mind the commute from Lakewood, and Walborn lives in Bay Village.

"We like it out here. Because we're in Lorain County we're not necessarily competing with the ever-growing number of tech companies in downtown Cleveland" for talent, he said.

Healy said he and Walborn are thrilled that they are no longer actively raising capital. But, he said, working with investors was instrumental.

"Having their council and direction has really helped us bring our business to the next level," he said.

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