In 1998, just before the dot com bubble burst, Matthew Telesca envisioned an internet-based future for the logistics industry. With the help of a friend, he’d written a program simplifying the cumbersome process of comparing freight rates and was excited to show it to the manufacturing company where he worked. To his chagrin, he was told to stop wasting management’s time. “I was already convinced that new technologies in the logistics space was the future, and that rebuke convinced me it was time to move on,” he recalls.

In May 2000—after nearly a million lines of coding—Telesca started Easton, Pennsylvania-based MGN Logistics and launched LogisticsQuote.com, one of the first online transportation brokerage websites. The site enabled shippers to set up accounts, rate shipments, create shipping documents, and track their freight online. It was wildly successful, and a private equity group bought it in 2004.

Telesca, who came from modest means, found himself sitting on a windfall. “I'd
be lying if I said early retirement didn’t cross my mind,” he admits. “But I was so convinced that there was so much more to accomplish in logistics automation that I simply couldn’t stop.”

GROWTH THROUGH ACQUISITION
Within weeks, Telesca was designing and creating a new proprietary transportation management system (TMS) that was powerful yet simple to use for any size organization. When the time came to roll it out, he decided acquiring a freight management company under the MGN Logistics brand was the best vehicle.

He found the perfect candidate in 2006 in a company with old-school processes and a solid client base that welcomed the addition of new technology to their freight management options. At that point, Telesca decided acquisitions would be the primary strategy for his future growth.

His plan hit a snag when commercial credit dried up during the Great Recession, but the initial acquisition was so successful he was able to self-finance the opening of an office in Orlando in 2009. He did the same to open a bilingual office in the Dominican Republic two years later, helping to support his company’s fast-growing international business.

FISCAL DISCIPLINE FOR FULL CONTROL
Once credit started flowing again, MGN made four more strategic acquisitions between 2014 and 2018, with a fifth acquisition expected to close this July. New acquisitions are pursued once most of the debt from previous deals is nearly repaid, a strategy that has allowed Telesca to self-finance and keep the company financially strong.

“I get calls and emails almost daily from companies looking to purchase or invest in MGN Logistics,” he says. “But I’m having too much fun creating and still believe I have more to offer prior to diluting my control.”

Topping his list is exploring the potential impact of technologies like artificial intelligence (AI) and blockchain in the logistics space through AI Logistics, a startup he launched in Puerto Rico in early 2019. He also plans to continue improving TMS and, of course, making more strategic acquisitions when appropriate.

MGNLOGISTICS.COM