

(continued from page 3)

Schedules were affected by the threat of the storms, and fresh receipt of product was cancelled for 3 days. We received product on Monday and then didn't receive again until Thursday. One NOCS warehouse in New Orleans received large lots of shrimp from bayou area processors concerned about their inventory as the hurricanes approached, as well as local area restaurants and hotels that needed a safe haven for their food products and ingredients.

### IARW South Pacific Chapter Meeting

This year's IARW South Pacific Chapter meeting was held at Carmel Valley Ranch Resort, located in Carmel, California. This event brought together industry executives from various parts of the west coast. It is designed to address the multitude of issues our companies face today. The main topics of concern are energy efficiency and insurance, two of the biggest cost drivers facing our industry. Connie Phipps of Lockton Companies talked at length about various insurance



claims, which have resulted in higher premiums. Out of several hundred member companies, only ten claims were submitted for the year. This is a considerably low percentage and illustrates how the Public Refrigerated Warehouse industry provides a standard of care.

The second topic of concern is energy efficiency, and what the PRW industry can do to reduce monthly energy costs. Many PRW facilities are older and contain freezer doors that are either outdated and/or inefficient. Technology and years of research and development by energy and freezer door companies have led to the use of doors that trap cool air inside and keep it from escaping, thus resulting in more efficient energy use. This is only one example of how companies can lower overhead and increase their bottom line.

The South Pacific Chapter meeting is held every year in various areas of the west coast. The 2005 meeting will be held at the Four Seasons Hotel in Newport Beach, California by incoming Chairman Vinny Perricone of U.S. Growers Cold Storage, a company affiliated with the World Group.



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American Cold Storage

Great Lakes Cold Storage

Henningsen Cold Storage Co.

Imperial Freezer Services, LLC

Merchants Terminal Corp.

NOCS

Trenton Cold Storage, Ltd.

U.S. Growers Cold Storage, Inc.

# The World Group Outlook

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## Greatest Returns?

**As outsourcing continues to involve more links in the supply chain, logistics providers, warehouses included, are asked to provide post-delivery services, such as handling returns. In the refrigerated and frozen foods supply chain, this might involve finished goods that have been damaged or recalled, or raw materials that where incorrectly ordered or no longer needed. The World Group members are accustomed to providing the same level of high quality services...out or back... for the greatest return on your outsourcing investment.**

### MTC Focuses On Technology And Processes For Returns

Over the past five years, Merchants Terminal has invested significantly in technology and process improvement. Through their industry leading web-visibility solutions, MVision®, and a comprehensive procedures and training manual for MTC employees (hi-lighted in the last World Group Outlook), MTC has developed the controls to assure that returns are handled effectively and expeditiously. MTC's transportation division MLogistics® provides yet another value; the ability to handle the transportation segment of the return and thus maintaining the control of the cold chain.

In the MTC process, Customer Service Representatives will set up the return with the customer. Once the load arrives at the MTC distribution center, supervisors visually inspect the load for signs of product adulteration: stains on boxes, collapsed boxes, frost on outside of boxes, frost on inside of boxes, foul odor; and many temperatures are taken. The supervisor's inspection is compared to the information gathered by the Customer Service Representative. The product is given a new lot

number and at the direction of customer, the product placed on hold with visibility in MVision® and notification given by email alerts.

In many instances, a customer has specific returns paperwork to be completed. Once this is complete and MTC receives authority from the customer to ship, the product is rotated out of inventory, typically FIFO product date.

*"Product integrity is critical, and while we treat returns as normal inbound, 99% is immediately placed on hold," says Bill Daniel, Henningsen Cold Storage. "Our customers rely on our observations, as well as pictures e-mailed to them. Some customers don't prefer not to deal with returns, and authorize a dump and destroy. Others will provide us with return authorization numbers and, depending on the customer, will either arrange their own freight or contact our Transportation Department. Due to the sensitive nature of food, most customers want product destroyed as soon as their QC people can look it over."*



(continued on page 2)

(continued from page 1)

### Containing The Problem

“Since we handle mostly exports and imports, our returns are on a different scale,” says Doug Crotty, NOC. “We have top step in when we receive containers that have not been fully loaded or have the wrong markings on them for their destination countries. In that case, we open the containers and remove the cartons and apply the appropriate marks, and reload back on the same container. Or, we add cartons to fill out the existing load, if it was brought in because the load was short ship by the originating whose that loaded it.

“Sometimes, we are asked to take containers in that have been shipped to other countries, got into that country and were rejected due to a number of different reasons. Occasionally, just like most other warehouses, we are asked to receive product that is not frozen that should have been, or that thawed in transit. In some cases, we do not even accept the loads, as we would most likely reject them anyway, and we advise the parties involved to send them back to the original place of loading.

“In our warehouses where we do handle some retail product or restaurant product, recalls are few and far between, and if they do occur, it is usually a matter of destroying the product for the customer in the presence of a USDA person, as we denature it with some kind of colored liquid to prevent consumption even at the landfill. Destroying spoiled product is a lengthy, labor intensive, expensive proposition; we cannot simply throw it in the dumpster; there is always a threat that someone, somewhere down the road, will find it and eat it.”

instructions, and design multi-stop shipments are handled by efficient and friendly customer services representatives.

“We consolidate shipments, build multi-stop orders, and arrange for proper trailer loading on a daily basis,” said Brian Davis, Imperial VP of Finance. “We also take great pride in our exporting services. We work closely with our USDA personnel to ensure that the correct export requirements are met on each and every load. Whether its correct export paperwork, proper product labeling, or timely loading or unloading, we make it a priority to understand what our customer’s need.”

*“Our goal is to understand and assist our customers with their warehousing and distribution needs...”*

— Brian Davis, Imperial VP of Finance

For returned and outdated product, Imperial offers a number of services to help customers deal with this situation: inspect, sort and separate the product. Salvage sales and or rendering services are arranged as the situation requires.

“Our goal is to understand and assist our customers with their warehousing and distribution needs,” continues Davis. “We offer worry-free and professional warehousing solutions for today’s logistics challenges.”

### US Growers Grows Consolidation Business

U.S. Growers Cold Storage continues to bring customers more cost-effective methods to meet their needs. To address the high volume of outgoing shipments, U.S. Growers Cold Storage has developed a freight consolidation program to increase our level of service and to lower costs to our customer.

The growing consolidation program allows the company to offer customers economies of scale by combining multiple



## News From The World Group

### Imperial Freezer Services Stays Focused On Customer Needs.

At Imperial Freezer Services, we focus on our area of expertise — warehousing. We offer our customers stress-free, 3rd party warehousing expertise. Whether a specific type of blast freezing, cross-docking, rail car loads, order picking, export requirements, or handling returned or outdated product, we strive to completely handle those areas for our customers.

Twenty-four hour, forty-eight hour, and seventy-two hour blast freezing are all options for Imperial customers. Crews cross dock product from rail to truck to container and any combination needed to ensure all available product reaches its destination in a timely manner. Weekly rail service is available, with access to both CSX and Norfolk Southern rail lines. Order picking is available as required; case pick and partial pallet picks are routine operations. Coordinating with customer trucks and common carriers to set appointment times, verify loading

## Great Lakes Cold Storage Adds Vice President of National Sales

Great Lakes Cold Storage is proud to announce the addition of Mr. Kenneth Hudnall as Vice President of National Sales. Ken is responsible for the development of new business, sales forecasting, budgeting, rate determination and managing existing corporate accounts.



Ken has more than 20 years of experience in sales and business development. He has more than sixteen years of experience in warehouse, transportation and logistics. He is a seasoned professional experienced in managing all aspects of a logistics network. Ken attended Indiana University of Pennsylvania in Indiana, PA where he earned his Master's degree in Business Administration and Saint Francis University in Loreto, PA where he earned his Bachelor of Science degree in Business Management.

Contact Ken Hudnall for Great Lakes Cold Storage or Great Lakes Cold Logistics services, (888) 248-9600 x36 or khudnall@glcsinc.com

orders onto one truck, creating additional cost savings. For example, U.S. Growers has several customers with have daily orders destined throughout California. Rather than charging customers full truckload, US Growers is able to use a lower rate represented by the weight and destination for their order.

Each order is checked before loading, and then tagged with information for the driver; destination, how many pallets and cases are to be included in the shipment. This assures greater accuracy on each delivery, especially critical given the multiple shipments.

### Henningsen Cold Storage Takes Home A Golden Penguin

The National Frozen & Refrigerated Foods Association (NFRA) announced that Henningsen Cold Storage Co. received Golden Penguin Award at the annual convention in Washington, DC.

The Golden Penguin Award is recognized throughout the industry as a symbol of excellence. It represents dedication, innovation and success in the promotion of frozen and refrigerated foods. The Golden Penguin awards program attracts entries from across the country and from professionals in all aspects of the frozen and refrigerated foods industry.

Henningsen received the Golden Penguin for its work during June's National Dairy Month.

Mike Henningsen Jr., Chairman and President said, “Henningsen is very excited to receive this prestigious and well recognized award. We could not have achieved this without help from our nationwide team of associates, managers and corporate staff. Our customers already know the dedication, quality and commitment of the Henningsen name but the Golden Penguin Award reinforces our commitment to excellence and the industry we serve.”



### NOC Weathers Hurricane Ivan

It was tracking east, then west, then east again. When Ivan finally landed, it spared the Crescent City from what could have been an insurmountable disaster. The preparation for Ivan was exhausting both professionally and personally for the entire crew at NOCS, and many people evacuated the area, but there was little or no damage locally. All NOC freezers continued running with no problem. There was not much rain, but high winds roared through the port.

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