

The World Group Outlook



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The World Group: Your Alternative Logistics Network

Competitive, Flexible, Agile. Unencumbered by the hierarchy that often inhibits national chains from responding quickly to local issues, World Group members represent a true breed of independent, privately held companies that know the customer is king.

■ Straight to The Top

Merchants Terminal has been family owned ever since its founding in 1928. In the early 1900s, the Hoffberger family started a coal distribution company with one truck delivering coal to Baltimore businesses and homes. Today Merchants Terminal operates three temperature controlled distribution centers totaling over 13 million cubic feet, a transportation affiliate, MLogistics™, and offers industry leading technology through their web visibility solution, MVision™.



President Harry Halpert continues a family-tradition of responsive service.

Fifth generation family member and President, Harry Halpert believes private ownership helps MTC react to customer needs quickly and decisively. "Our customers often tell me how comforting it is to know that they have the immediate ear of me and our executive team," says Halpert, "Our company has been providing logistics services for over 75 years and we have had to be continuously adapting to keep up with the ever-changing landscape. Unlike some of the other companies

in our industry, we can get quick approval of our board and implement change quickly to respond to our customers needs.

Located near the Port of Baltimore and adjacent to I-95, all three of Merchants' distribution centers are strategically located to provide cost-effective domestic and international logistics services. Additionally, through their transportation affiliate MLogistics™, Merchants offers one of the few LTL consolidation programs that also offers port access. "We offer a unique opportunity for customers importing goods into the east coast," says Merchants' VP of Sales, Ernie Ferguson. "There are very few companies that operate port facilities and also offer a comprehensive LTL consolidation program. We currently serve 34 states weekly and hope to add the remainder of the lower 48 by the end of the year."

■ Quick Decisions, Operational Changes

"We feel that our private, hands-on ownership gives us a valuable strategic advantage in our ability to meet the changing demands of today's logistics environment," said Chuck McCarthy, Vice President of Operations, Imperial Freezer Services. "We're able to quickly make decisions, add services, or change our course of operation to meet our customers' needs.

There are no unnecessary delays due to questions or changes having to go through various levels of management. We are owner-operators, who are on-site each day. The decision makers at Imperial have directed the course of this business since the day we opened. We understand our customers and the markets we serve. Our customers have come to appreciate the consistency and level of confidence that comes from dealing with the same management team on a long-term basis.

"Our management structure takes all the corporate BS out of decision making. If a customer has a question or a concern, we do everything we can to immediately get the question answered or the problem solved."



Chuck McCarthy, Vice President of Operations, on the docks. Local management, close to daily operations, translates into faster response for customers.

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"Every Customer is Important"

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■ **Every Customer Is Important**

When customers utilize any private/locally owned logistics company, they already have an advantage. If a problem should occur, they can contact an onsite or nearby management team that can make decisions quickly. There is often more bureaucracy with a large holding company; product may be stored in Portland, Oregon but customers have to call Atlanta, Georgia to get information about it.

“As a customer, you are the most important part of our business,” says Tony Lucarelli. “We value each customer and want long term relationships. Whether you are a \$1,000 a month customer or a \$1,000,000 a month customer, we truly appreciate and value your business.”

At Henningsen, you'll never hear comments like, “No, we can't do that project. We don't have time for that.” It's unfortunate when the logistics provider you chose to handle your products turns your service issues over to someone else after you've signed the deal. As your preferred local/private logistics provider, we are happy to help with your special stickering project, your 200 case re-pack, and your “the customer doesn't like how this is stretch wrapped” call. Our managers and associates are empowered to “Make It Happen” and that is the attitude we all come to work with every day.

Henningsen to host Annual World Group Meeting

Representatives from each World Group member company will meet in Portland, Oregon, August 9-13, 2006, at the organization's Annual Meeting. In addition to touring the Henningsen operations in Portland, The Group will finalize its marketing plan for 2007, discuss industry issues, and determine best operating practices.



■ **Twenty Years?**



Tony Lucarelli recently celebrated his 20-year anniversary with Henningsen. Tony started his cold storage career lumping trucks on the dock of his hometown cold storage in high school, and worked around the business through his college years. He joined Henningsen in 1986 at the company's Forest Grove, Oregon operation. A few years later, he became Sales Manager, then was elevated to Vice President of Sales & Marketing in 1995. In 1999, he

became Executive Vice President. “Working for a closely held, family business like Henningsen has been a great experience,” says Lucarelli. “And being part of one of the biggest PRW firms in the world, makes it even that much better. Lucarelli has also served as Vice President of The World Group during his tenure at Henningsen.

■ **Tramontana Joins MTC as Director of Logistics**



Rachel Yurkus Tramontana has been appointed Director of Logistics for Merchants Terminal Corporation.

Tramontana has more than fourteen years of experience in the logistics arena with a comprehensive background in manufacturing and third party logistics. Recently, Tramontana held positions in sales and transportation management for Atlas Cold Storage in Chicago. In her role with Merchants, Tramontana will sell both warehousing and transportation solutions working closely with Merchants transportation division, MLogistics™.

“I'm excited to have Rachel as a part of our team,” said Ernie Ferguson, MTC VP of Sales and Marketing. “Our transportation program has been well received by our customer base, and we are all looking forward to Rachel helping us expand the program. She will help us meet our goal of becoming our customers' logistics department.”

■ **Johnson Inducted as Chairman of WFLO**



Merchants Terminal's VP of Operations Ken Johnson was inducted as the Chairman of the IARW's World Food Logistics Organization (WFLO) at the association's annual convention in Orlando. Johnson has served as Vice Chairman for the past year and as Treasurer during 2004. Ken is a past Chairman of the North Atlantic Chapter of the IARW and is also the current

Chairman of the Warehousing and Logistics committee of AFFI (American Frozen Foods Institute). Ken follows in his father Roy Johnson's footsteps as an active member of the IARW. During Roy Johnson's presidency of MTC, he was Chairman of both the IARW's Board of Directors and the WFLO Board of Governors.

According to Ken, “The importance of being involved in our company's industry organizations cannot be under estimated. Our customers rely on us to handle, store and distribute their products, which is a task that should not be taken lightly. These organizations help me keep my finger on the pulse of our industry and this helps me assure our customers that their products are well cared for in a safe and professional manner.”

■ **Imperial Launches New Web Site**



A more accurate window into the scope of services at Imperial Freezer Services is the reasoning behind the launch of the company's new web site. “We have a tendency to focus our attention on operations,” said Brian Davis, VP of Finance. “That's good for our existing customer base, but we also need to keep the market aware of our growth and service expansion. Our new site is more informative regarding our transportation and distribution services, as well as high quality warehousing. If you need refrigerated logistics, we want you to think Imperial.”

■ NOCS: Twelve Decades & Counting

In 1886, sales of Coca Cola averaged only nine drinks per day. Those drinks may have been poured over ice manufactured by a new company which came into being that same year by the name of New Orleans Cold Storage Company.



NOCSCO, by which it was referred to during the first 40+ years, sold its 300 pound blocks of ice to the steamship lines and railroad companies for cooling produce and other items going across the country and overseas, and down to Central and South America. NOCSCO also iced down and stored produce, seafood and other food products in a cold storage building adjacent to the ice manufacturing facility. NOCSCO, with their prime location in the Port of New Orleans, made a point of catering to the waterfront community, realizing the importance of their involvement with the inbound and outbound cargo movement.

The ice company later made a lasting impression on households and restaurants when one of the founders decided they needed to diversify to expand their markets along with their sales. The idea was to score the huge 300 pound blocks into 50 pound squares for homemakers and restaurateurs to cool their lemonade, tea, soft drinks and produce; and, to make the smaller blocks available to households for placing in front of their windows as a cooling aid on hot summer days and nights. The crowning achievement was making the ice available directly to the customer's residence via a horse-drawn cart, which evolved into one of the first delivery vehicles of the modern automobile age, the delivery truck.



Over these many years, this delivery service has grown to include local and long haul drayage services for refrigerated and non-refrigerated items, local and long haul trucking, plus flat bed trucking of steel and other bagged, boxed and bulk com-

modities. Today, NOCS Transport is an important part of the NOCS family of services.

Always with an eye toward the future, New Orleans Cold Storage & Warehouse Company has managed to adapt to the changing times and circumstances of the local community, with a willingness to expand their scope of services to take advantage of the opportunities presented by their customers. After 120 years in the service business, NOCS remains ready to move forward, playing an integral role in providing logistics for their customers, satisfying each demanding need with a relative service and a definable, "Yes."

■ US Growers Expands Transportation Services

To better serve the needs of our customers, U.S. Growers is in the process of expanding our transportation program by offering inbound services as well as LTL & truckload service to more destinations both locally & nationwide.

Ralph Newton, U.S. Growers Operations Manager, says, "By expanding the areas of service, we will be able to handle the continuing growing needs of customers. More and more of our customers are relying on us to handle their logistics needs."

In addition to the expansion of our transportation services, we have implemented an updated version of our on-line customer Warehouse Management System. This implementation allows customers point & click functionality, in addition to the capability of accessing their account information.

Henningsen By the Numbers:

Little known facts from the largest World Group member:

- ▶ Henningsen touches approximately 15% of all French Fries made in the U.S. each year. Currently over 9 billion pounds of French Fries are produced annually.
- ▶ Current management team has a combined 250 Years of experience in the industry.
- ▶ HCS helped Nike develop the Air Sole at the company's Forest Grove operation in the late 1980s
- ▶ HCS transportation division in the first 2 years of operation handled over 275,000,000 pounds of product.
- ▶ #12 ranked in top North American PRWs
- ▶ #16 ranked in top World PRWs
- ▶ 4th generation family owned business
- ▶ National Family Business of the year award winner
- ▶ 2 time NFRA Golden Penguin winner
- ▶ Top 100 companies to work for in Oregon
- ▶ 83 Years old in May 2006
- ▶ Had 6 facilities in the early 1960s, sold all but one, and then opened back up again in 1973.
- ▶ Over the years, has been in the oyster, fish packing, and sand & gravel business

Calendar of Events

July/August

July 29-August 1, IARW-WFLO-IRTA-IACSC Assembly of Committees, Washington, DC

August 1-2, New York Pizza Expo 2006, Jalisco, Mexico; www.pizzaexpo.com

August 1-4, Confitexpo 2006, Jalisco, Mexico;
www.iwm.com.mx/servicios/gefecc

August 12-14, Expo Pan, Mexico D.F.; www.expopan.com

August 13-16, International Association for Food Protection (IAFP) Annual Meeting, Calgary, Alberta, Canada; www.foodprotection.org

August 13-18, International Congress of Meat & Science Technology (ICoMOST), Dublin, Ireland; www.icomst.org

August 19-21, IARW Heartland Chapter Meeting, Chicago, Illinois

September 12-14, Tecno Bebida Latin America, Sao Paulo, Brazil;
www.tecnobebida.vnu.com.br

September 12-14, FISA (Food Ingredients South America 2006), Sao Paulo, Brazil; www.fisa.com.br

September 12-14, HBA Global Expo, New York, NY; www.hbaexpo.com

September 13-15, IARW North and South Pacific Chapter Meeting, Idaho

September 14-17, North American Meat Processors Association's (NAMP) 64th Annual Convention, Hawaii; www.namp.com

September 16-19, American Dietetic Association's Food & Nutrition Conference & Expo, Hawaii

September 18-20, Annual AACT Technical Seminar, Lincolnshire, IL;
www.aactcandy.org

September 19-22, Tecnofidta 2006, Buenos Aires, Argentina;
www.tecnofidta.com

September 20-22, IARW North Atlantic Chapter Meeting, Auberge Saint-Antoine, Quebec City, Canada

September 25-28, American Frozen Food Institute's Government Action Summit, Washington, D.C.; www.affi.com

September

September 6-8, Expo Alimentos, Monterrey, NL Mexico;
www.expoalimentos.com.mx

September 7-8, Stagnito's New Products Conference, Drake Hotel, Chicago, IL;
www.stagnito.com

September 8-10, Philadelphia Candy Show, Atlantic City, NJ;
www.phillycandyshow.com

September 11-14, Label Expo Americas, Chicago, IL; www.labelexpo.com

September 11-14, American Wholesale Marketers Assoc. Distribution Summit, Las Vegas, NV; www.awmanet.org