

Koch Quarterly

Q1 2020



SMARTER SUPPLY CHAIN CONNECTIONS

Join us as we celebrate over **25 years**
in business at Koch Logistics!

KOCH'S CORNER

Company news and events
pg. 3



WILL YOU ACCEPT MY FREIGHT?

WHY BEING A "SHIPPER OF CHOICE" MATTERS.

FEATURE PROFILE

EAST BAY RESTAURANT SUPPLY

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WORLD'S LARGEST CONTAINER SHIP

MSC Gülsün

page 1

No worries.



(your supply chain)

We can work with that.



KOCH LOGISTICS
SMARTER SUPPLY CHAIN CONNECTIONS

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Koch Quarterly is a publication of Koch Logistics. It is a collaborative effort featuring the input of our team of Directors with over 100 years combined experience in Logistics Management.

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What's in a name?

Koch Logistics is a division of Stan Koch and Sons Trucking, founded by Stan Koch in 1978. Koch Logistics was formed in 1992, and is a privately held, family owned business, with 2018 marking our 25th anniversary!

Over the last 25 years we have developed a stellar reputation for second-to-none customer service, and the ability to handle

the most complex logistics, with a core competency in Retail Store projects and long term partnerships with businesses of all sizes.

Usually, the first question we get is in regard to our name. Simply put, our name is pronounced "cook." So the next time you see a Koch truck on the road- think "now we're cookin'!"

MSC Gülsün The biggest container vessel on the water (for now).

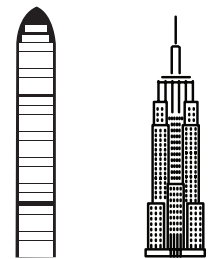
Built in 2019 by Samsung Heavy Industries, this "Super Ship" is currently the king of containers, but there are already larger vessels under construction as the ocean shipping industry takes the "**bigger means better**" philosophy to heart. Now they just need to find a place to park, as over 90% of the worlds' ports do not have the depth clearance needed to dock these behemoths!

Super Ships: The idea is, the bigger the ship the more it can hold- thus maximizing profits and hopefully providing cost savings for shippers.

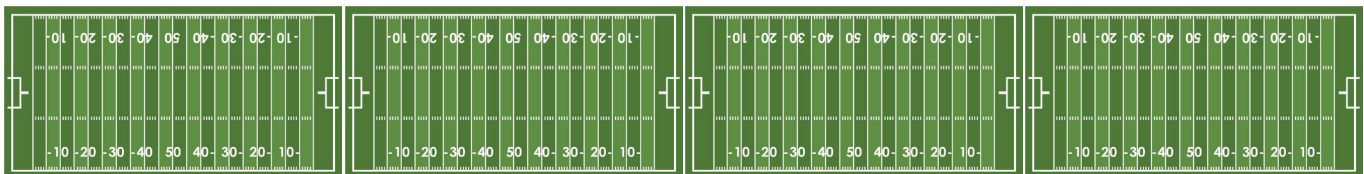
Size: 62M x 400M

Capacity: 23,756 containers (on 24 rows)

Tonnage: 232,618



MSC Gülsün Empire State Bldg.



Wow! The MSC Gülsün pictured below is 400 meters long- or approximately 4 football fields!



If you have questions about your container needs, just give us a call and we will help ensure you are maximizing space and getting the best rates at 866-924-6793! Our international shipping team can also be reached by email at maritime@kochlogistics.com.

Questions or comments about our publication? You can email them to the editor: cgowin@kochlogistics.com or contact us via our website: www.kochlogistics.com.

Shipper of Choice

How a driver rates your business can be a competitive advantage

By now we have all heard the concerns about driver shortages, new regulations, infrastructure challenges, natural disasters, and rising fuel costs that are shrinking profit margins across entire supply chains. Although most of these external pressures are out of your control, the last thing you want to do is lose business because of something that *CAN* be controlled.

One of the things that you can control, is working towards becoming what is known in the transportation industry as a *Shipper of Choice*. Simply put, it means that your organization, whether you are a Shipper/Distributor or a Logistics Provider, has taken the steps necessary to become as trucker-friendly as possible. In essence, you provide an environment that will encourage drivers and carriers to *choose* to do business with you.

There's an App for That

There are new industry software applications that drivers can use to rate shipping facilities. If you have complicated routing procedures, poor parking, a lack of bathroom facilities, or even a rude shipping clerk; you are making it less desirable for someone to partner with you. Truckers can now log-in with their smart-phones with applications like *Dock 411*, and rate anything from parking space availability to the conduct of employees. A recent survey found that over 80% of drivers would take the time to rate facilities using one of these applications. In fact, they will judge your business on most of the following categories:

Cleanliness, Lighting, Lounge, Maneuverability, Parking, Conduct, Restrooms, Safety, Security, and Timeliness.

Shippers really need to take into account the *entire driver experience* when planning and updating their operations to become more driver friendly- not just one or two aspects. You can have a very professional staff and a truckers lounge with massage chairs and flat screen TVs; but if it takes 20 minutes just to turn a truck around, a driver's perception of your facility can rapidly drop. There is an increased awareness of how a shipper may have policies that make it easier or more difficult to drop off and pick up a load. If a driver pulls into your location and the directions to the dock are not clear, you can be sure that the driver will make a note of that for all future carriers and independent operators to see. Their valuable feedback also gives your business a chance to make necessary changes, as opposed to not knowing what the issues might be.

If capacity is tight and drivers have options on which load to choose, and they don't like working with you...good luck!

The days of making a driver wait for hours and adapting to your schedule are over. If your facility is causing delays which can affect the ability to deliver their loads, they may be reluctant to do business with you in the future, or worse they may simply drive off to meet deadlines leaving your shipment undelivered or sitting in a warehouse gathering dust. In the transportation business time really is money, so the more shippers respect the time of the drivers, the more likely they will want to keep coming back.

The Strategy of Being Liked

At some point, shipping demand exceeds driving capacity, we've seen it before and we will surely see it again. When that happens, it gets harder to find good trucks, and even harder to find good rates. If your organization is not making it a *strategic initiative* to become a shipper of choice, eventually it is going to affect your bottom line. Think of it as a "*difficult to deal with tax.*"

If all the carriers and independent operators can get a snapshot of your facilities and operational ratings in seconds, they can certainly factor that in when bidding on your freight. If you rate poor-



It's a fact: happy drivers are better drivers.

ly, and they have multiple jobs to choose from, they will likely go with the company that is easier to work with. Conversely they may deliver the load, but it will probably be at a premium price to account for the "less than ideal" conditions your business may have. You may also have fewer carriers and independent operators bidding on your freight. This means you could have a smaller pool to choose from which makes getting the most competitive price very difficult, to say the least.

Also, keep in mind that drivers can rate your logistics operations too- you certainly don't need to be asset-based to become a **Shipper of Choice**. For example, if your 3PL (Third Party Logistics) firm is staffed with an inexperienced operational team, they might be causing drivers to have unnecessary delays, or making mistakes that will cost you in fees, fines, or other expenses that could cause carriers to become wary of running future loads with you. A quality logistics firm will have employees that understand and respect truckers, and know how to work with them to get a project or job completed in the most efficient manner possible. Respected 3PL's will also have a very large carrier base to choose from giving their customers a wider variety of options to choose from.

Steps to becoming a **Shipper of Choice**

1. Review your pick-up and loading procedures

Make sure your internal processes are not making it inefficient for truckers to get in and out, as quickly as possible. If there is a wait, are you properly informing them of their loading status? Communication can go a long way when things aren't running as smoothly as you would like!

2. Make sure dock and yard signs are clear and easy to read

Pretend you are a driver entering your yard for the first time. Is it clear where you need to go or are you just assuming they will "figure it out?" In addition, double check that your on-line directions are accurate. Most of the driver's rating applications have fields where they can enter the best way to get to your dock- and also mention if it's easy or difficult to access. (*Pro Tip: Your loading directions should be to the dock- NOT to the front office.*)

3. Do a facilities check.

If you have a driver lounge, does it need updating? Are your restrooms clean, functional, and made available to drivers who need to use them? Above all, do drivers feel safe and welcome when they enter your facility? (*Pro Tip: don't make them ask- put up a sign with directions to restroom*)

4. Get the data out there!

Along with dock directions, if you have specific backing situations, pallet restrictions, best approach routes, yard hazards or any other details, make sure they are published either on your website or social media pages, or entered into one of the new rating applications. If you have taken the effort to become a trucker friendly organization make sure they know. Drivers will take note and spread the word!

It Really is a Choice

Becoming a **Shipper of Choice** is not a certificate you hang on a wall, (although it may soon be) or an award you can put in a display case; it's how you **choose** to run your business. It's a **strategic decision** designed to maximize profits and improve carrier relations for the long haul. In the very near future, drivers will make it part of their SOP's to rank your business in ways that were not possible a decade ago, and the information is accessible to everyone. Here at Koch Logistics, we have recognized the value of being a **Shipper of Choice** for many years, and have developed a reputation as a logistics firm that carriers and independent operators enjoy working with. We were founded by a trucker, so it is in our culture to respect the hard work they do; and we have found that the more we can help them do their job, the more they help us do ours!

Koch's Corner: NEWS FROM INSIDE

Employee of the Quarter:

Please join us in congratulating **Alyssa Kettner** as our **Employee of the Quarter**.

Alyssa has been with Koch Logistics just a little under two years but has been making her presence felt since the very beginning. She has been recognized on multiple occasions, across multiple departments and by several managers and co-workers alike.

Alyssa has been recognized as a quick learner with a tremendous work ethic and for being very proactive with her willingness to offer her assistance outside of her regular duties when she sees another team or coworker in need of help.

She does a great job interacting with customers and has proved that with a willingness to learn, a great attitude, and a strong work ethic you can make a significant and positive impact within an organization. Thank you Alyssa for your contribution to our success and congratulations!

- **Darren Nelson, VP & GM of Koch Logistics**



Alyssa Kettner



Joyce Maass

Wow...20 years! Happy Retirement to one of our dearest, Joyce Maass. Thank you so much for your years of dedication and work, not to mention the warm smile and wonderful attitude you brought to the office each day. Best wishes on your next chapter, you will be missed dearly, from all of us at Koch Logistics.

Customer Profile: East Bay Restaurant Supply



"If you can't stand the heat, get out of the kitchen"... or, as the staff at East Bay Restaurant Supply might suggest, *"build a better kitchen."*

All in the Family

East Bay Restaurant Supply, Inc. (East Bay for short) was founded in 1932 by the father of current CEO/President John Breznikar, and has been family run since its inception. The company got its start serving a small area in Northern California, slowly building trust with the local restaurants by providing the steadfast customer service that is still ingrained throughout the organization over 85 years later.

In 1940 the business moved near Jack London Square in Oakland, where the corporate headquarters remain to this day. (Since then they have opened additional locations in California and Louisiana to increase operational efficiency.) By sticking to their commitment of service, East Bay has grown from a small local supplier to one of the nation's largest providers of food service equipment to industries of all types and sizes. We spoke to Sr. Director of Sales Phil Dodds and National Chain Account Director Tiffany Allen to learn more about what has made East Bay so successful.

One Stop Shop

Whether you need to set up an entire chain of restaurants with quality kitchen equipment that fits the needs of your business, or you simply want to build your personal "kitchen of the future", East Bay



State of the art + style!

Restaurant Supply has a solution.

They have dedicated divisions to address an extensive array of customer needs. Live showrooms in Oakland, Sacramento, and Baton Rouge provide a place where customers can generate ideas and see the latest and greatest in restaurant equipment.

However, the showroom contains just a fraction of the offerings they have. Essentially, if you've seen it, or can dream it, they will find it- or find someone who can make it. Phil Dodds notes, "Sometimes a customer might see something on the internet that they really like, but we can tell the item is not actually produced to the specifications that will meet their needs." In those instances, East Bay can work with a trusted manufacturer that produces a similar item, or one that can make it with the higher quality standards and features their customers often require.

And when it comes to trusted sources, the well is deep since East Bay has formed lasting relationships with equipment manufacturers from all over the world who are on the cutting edge of kitchen technology and trends, so their clients can rest easy that they have the best options available to choose from.

Continuous Circle of Support

When your company partners with East Bay, you gain access to ALL their services- (*Tech Support, Consult, Design, Supply, Projects, and Replenishment*) and more importantly, the experience and expertise that comes with being in business for so many years. This allows their customers to expand without falling into many of the pitfalls, mistakes, and added costs that comes with doing something for the first time. In fact, many of the clients they worked with decades ago are still with them today. "We like to grow together as a team," states Allen, "and learn as much as we can about our customers so we become more of an extension of their business as opposed to just a quality equipment provider."

East Bay has what they call their

"Continuous Circle of Support"

to give customers a one stop source for all their immediate AND future needs. So, what does that mean? Let's take a not-so-uncommon hypothetical to dig a little bit deeper.

Building a Dream

Let's say, for example, you purchase a local restaurant already in operation from an owner who is retiring. You have some big ideas for changes, but the first thing you need to do is keep the restaurant running and money coming in while you plan for change. You need forks, spoons, towels, rags, hairnets, and other "small-ware" right away. It looks like the previous owner was using multiple vendors and was having issues with over and under-stocking supplies and having to keep track of dozens of invoices on a monthly basis. Thankfully, another restaurant owner you know refers you to East Bay, so you give them a call.

An experienced representative who specializes in new store supplies provides you with everything you need to keep running, and even sets you up with a replenishment schedule so you don't have to worry about constantly re-ordering consumables from multiple sources.

The transition is going smoothly, but one night your deep fryer breaks down. While this certainly poses a problem, it also presents an opportunity. Currently your menu has over 25 deep fried items. Your customer base is changing, and asking for healthier options. You have a vision of offering a menu that contains more whole foods, salads, and along with a robust selection of smoothies and juices.

You don't know where to start, so you call your East Bay Rep again, and detail your situation. You explain to them that while you need to replace the fryer- you also have much bigger dreams of making this a "green" restaurant both in menu and operations.

They listen carefully, and send someone out from their consulting division to take a closer look. After analyzing your existing footprint along with your future goals, you are presented with options that will



Sleek & seamless

fix the immediate need while setting you up for expansion.

You learn from East Bay that you can replace your existing fryer with a much more efficient one that is a fraction of the size. The East Bay consultant also points out that your current refrigeration units will not be able to hold the increased amount of fresh produce needed to make all those juices and smoothies, but you can use the space savings from the new fryer to add additional cold storage.

Since East Bay has had experience outfitting food establishments of all types, (including partnering with an actual local juice bar more than 20 years ago that now has over 900 locations in the US!) the consultant also recommends a large glass door unit so you can view your produce inventory at a glance without constantly opening the door. They are also able to recommend the best commercial grade juicers and blenders, and the best place to install them in your restaurant for maximum efficiency. Wow, and you were just hoping they could get you a nice new fryer. (Which, of course, they did.)

In it for the Long Haul

A year later your restaurant is doing so well you are opening two more locations; one in an existing building, the other is new construction. You call East Bay and once again they are able to provide you with the expertise needed to expand efficiently as possible. The existing location is easy, you've already been guided through the process once before, so you work with East Bay to upgrade to some new equipment, and the location is nearly turn-key.



The complete package!

The new construction is another story. Here you are dealing with contractors that need elements installed on very specific dates in order to complete the project on time and on budget. Electricians, carpenters and installers are all working on the heart of your restaurant, and they all need to be on the same page. Your larger appliances need to be installed within 3 days of the flooring being completed, and your walk in freezer needs to be finished before you can install the flooring. The oven ventilation systems need to be coordinated with the rest of the HVAC infrastructure. Not to mention every single item needed to run a restaurant from toothpick dispensers to tablecloths need to arrive before the grand opening- phew! (Meanwhile, you just want to make food)

Luckily for you, East Bay has done thousands of projects like this and have dedicated teams that can handle all the details, and provide you with one point of contact throughout. They will work directly with the construction PM's, ven-

dors, and other suppliers to coordinate delivery and installation of your valuable restaurant equipment- and when there is the occasional bump in the road, they keep you informed every step of the way. It truly is a *circle of continuous support*.

Creating something like a new store from scratch takes patience, especially in the "right now" culture we live in. The staff at East Bay knows how hard this can be and by partnering with them you can eliminate many of the costly delays, and other time consuming issues inherent with these types of projects simply by having a team of experts at your side.

So while you may not know exactly what the future holds- you do know that whether you need to open 2 or 200 locations, you have a trusted partner in East Bay Restaurant Supply to help guide you through whatever may come your way!

*Koch Logistics partners with **East Bay** on various projects, learn more about them at: www.eastbayrestaurantsupply.com*



California Winery Project- the perfect blend of form and function.

When you partner with
Koch Logistics



the outlook is good.

New Store Openings • Roll-Outs • Re-Sets • Remodels • New Construction & More



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