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LOS ANGELES COLD STORAGE



THE COOL NEWS

Business begins as a telephone call but our reputation starts with good service.

Most of the time our business begins with a telephone call. We receive some inquiries about our storage services from the internet, but most new business callers looking to store product with LA Cold seem to be comfortable making their first contact by telephone. Typically even the internet inquiries result in a telephone conversation because most callers have many questions, and the back and forth of a storage inquiry is really more suited for the telephone.

That's how most of us think the new storage customer relationship begins, a telephone call. But as we all know, establishing a caller as a customer is not always as simple as most think. For example, calls can start out with a question, "*Can you tell me how this storage thing works?*" After asking a couple of questions we usually explain the basics and tell the caller, "We don't rent space, we provide frozen and refrigerated warehouse services". But every so often, we get thrown a curve...The caller might say, "Well, my husband went to Texas and shot a goat and we need somebody to chop it up and freeze it. Can you do that?" "No, Sorry. We just store product" is sometimes the safest response. Sometimes the caller will persist and ask, "What time do you close, cause' I could start cutting this (*whatever*) up and bring it to you later and maybe you could store it for me?" Again I apologize and explain, "That's not our busi-

ness, you might try calling a locker service or a butcher."

And other time the call will go in another direction. We frequently receive calls from the entrepreneurs looking to start a new business. "Hi" says the caller. "I am thinking about importing food products from another country and I was wondering if you could tell me how I might be able to store the product once it arrives in the U.S." I ask, "Frozen food?" "Yes" says the caller, "Cold food, I think frozen but I don't really know." "What temperature do you want to store the product?" "Whatta ya got?" is usually the answer.

Never quite knowing what type of caller we have on the hook, we ask a few more questions. Those of us who take this type of call, will try to spend some time explaining the typical process for storing imported goods, including the inspection processes, the USDA, USDC, FDA and the U.S. Homeland Security and Customs hurdles that need to be jumped. And then I start to talk about our warehouse and transportation services and container drayage. Unfortunately the caller will sometimes become overwhelmed and end up hanging up the call with a "Gee thanks, I will let you know."

We also receive the panic calls. "My freezer stopped working and I need someplace to put

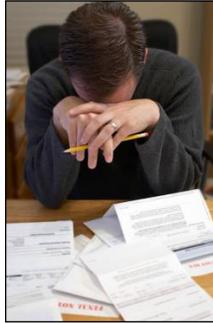
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Our Mission: The employees of Los Angeles Cold Storage are committed to protect and preserve our customer's product and to enhance their efforts with on time, accurate product handling.

It all begins...with service

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my veggies!" So the first thing I ask is, "How much product do you have? And the answer is, "I don't know, maybe a pallet of stuff." And then I ask, "How many items do you have? "Couple dozen". By the time I explain minimum storage and handling charges and how minimum account into play...Usually this caller will decide to look elsewhere to solve their freezer problem.



Every once in while, I get "the" call, the other call. The call we work so hard to generate. Sometimes the call is from the un-initiated and the caller is also asking about public storage services. These calls can start out very much like most of the other calls we receive. "Hi, I'm buying frozen fish and my freezer is full. The caller continues, "My friend says you do that type of warehousing and he says you're the best." The caller continues, "Can you tell me how it works and how much you charge?" Again, just like all the other calls. I start going down the list, explaining how we provide warehouse services. I ask a few questions about temperatures and the type of storage services the caller may need or require.

But wait a moment, as I process the call, I begin to note a difference in this caller. I can't help but notice this caller seems to know the right answers. This customer is using terminology I can relate to...B/L's, withdrawals, transfers and drayage...I'm getting excited. He asks if we can provide transportation, "Can you deliver my product to the East Coast?" Now the caller really has my attention. "Yes" I answer excitedly, "Our transportation division is L.A. Qwik Serv. And the caller tells me, "Oh I know LA Qwik, I have heard a lot of good things about them." Then I ask, "Where did you hear about LA Cold?" The caller names one of our largest and most important customers and they tell me how that customer swears by LA Cold and how he wishes we had a warehouse in every state. I realize, *our reputation pretty much sold us, before I even answered the telephone.*

It is at this very point I realize how grateful I am for my team of coworkers at LA Cold. Everyday, LA Cold employees work to assure our customers of flawless service. This call helps me realize how much hard work my co-workers perform each day and how *their hard work* makes my job so much easier and especially how much easier *this* telephone call has just become. I reflect upon how my co-workers strive to keep our customers happy. I think about the cold temperatures the forklift operators endure and I think about the many hours our engineers work as they make sure our refrigeration system is operating perfectly. I think about how our dedicated team of Customer Service Representatives concentrate on solving problems promptly and how they follow through on customer requests immediately. I think about the

LACS Checkers that work on the dock and how their attention to detail can solve problems before anyone really knows there is a problem.

Clearly, I don't need to sell this customer. The whole team at LA Cold is selling and serving, and they sell our great service day in and day out. Clearly, my co-workers attention to detail makes my job of selling our cold storage service almost effortless. Our reputation is the best "sales team" in the world and our customers appreciate it and they tell their friends.

All of us at LA Cold, took this call, not just me, and we answered the call with a committed determination to make sure our storage and transportation services are performed flawlessly, efficiently and with courtesy. We do this everyday, for all of our customers, new and old.

Both the caller and I make some notes, we agree to talk again in the morning. He asks for a few documents and I e-mail him some fine print. Here we go! A new customer with a promise of dozens of containers consigned for delivery to one of the LA Cold warehouses.

One thing is for certain, I couldn't have done it myself. It took a team, the best team! The L.A. Cold Team!

I'm sure glad we all took the call.

\$afety Pay\$ - Recent Jackpot Winners!

Game One!

Ruben Gonzales \$700, Shel Combs \$150, Chris Samarin, Jess Navia and Jose Rodriguez split \$400, then Chris won another \$250, Tom Rodriguez won \$135 in two games.

Game Two!

Erinn Castro and Sam Reyes split \$200 after Sam won \$350 in another game, Pete Meza \$250, Frosty Velez \$350, Jorge Escutia \$500, Vince Campbell and Vince Mondragon each split \$550

\$50.00 cash prizes winners in the weekly safety raffle drawing.

Daniel Garza, Chris Samarin, Carlos Beas, Ruben Gonzalez, Alfred Trejo, Irma Arellanes, Alex Vargas, David McLellan, Miguel Draper, Jesse Navia, Chuck Gunther, Jaime Hinojosa, Jaime Velasco, Raudell De La Torree, Charles Holloway, Ronald Fuller, Ricardo Martinez, Tom Rodriguez, Nathan

Virgen, Arturo Arroyo, Jose Rodriguez, Rafael Gonzalez, Mike Hamano, Jennifer Kaing, Maria Solis, Isaac Urquidez, Roxanne Gomez, Claudia Valenzuela, Luis Guido, Marlo Acosta and Vincent Campbell

More winners to be announced as long as we continue to work safely!

Did you Know? Los Angeles Cold Storage can produce over 1500 Kilowatts of emergency back up electrical power for our freezers in the event of a serious power outage?

It takes many good deeds to build a good reputation and only one bad one to lose it. Benjamin Franklin

Checker Challenges

By Sam Reyes, Manager of Transportation

Loading trucks and trailers with dozens of palletized products presents a number of challenges for even the most seasoned Dock Checker at LA Cold. There are many variables that affect the best and safest procedure for loading a truck or trailer. A good Dock Checker is worth his weight in gold and can be a valuable tool for a driver who needs a safely loaded truck or trailer.

Here are some of the challenges our Checkers face:

Cargo Weight: As our Dock Checker reviews the outbound orders his first consideration is typically the weight of the load. Can the truck or the trailer safely and legally handle the weight of the consigned cargo? If the cargo exceeds the capacity of the trailer there are legal, safety, and equipment factors that must be considered. As a rule, Los Angeles Cold Storage will not load a trailer with excessive or overweight cargo.

Lighter loads can also be perplexing for a Checker. Delays can occur when the volume of the goods exceeds the cubic capacity of the trailer. It can be very frustrating to a Checker when that last pallet of product is sitting on the dock and the trailer is full to the door. To avoid these problems, it is very important that the Checker plan the loading pattern in advance.

Extra Labor: In many loading situations, methods that increase cube utilization but may also increase the labor required to load and unload the shipment. Typically a loading service must be called to stack the pallets taller or to floor load the trailer (thereby eliminating pallets) or by repalletizing the goods to best utilize the cubic feet available in the trailer. This extra loading service requires the driver or our customer to pay extra for this service. The driver, customer and our Checker must balance the cubic capacity of the trailer against the cost of the labor to load and then unload that same trailer by hand.

In addition the Checker may have to make a variety of other decisions as he evaluates the best procedure for loading the truck or trailer. Here are some examples:

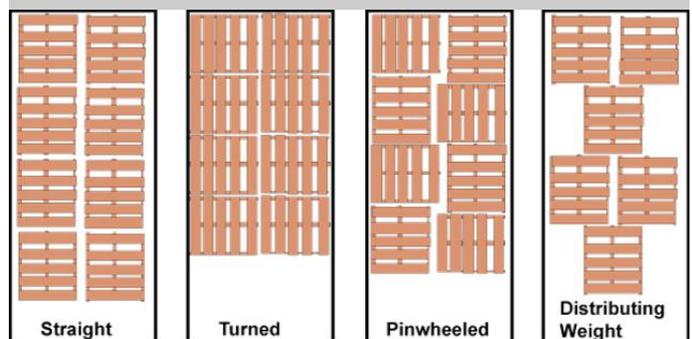
Straight loading: This is typical pattern means loading pallets straight (in the direction of the pallet stringers) into the trailer or container. With a standard 40"x48" pallet this will allow two pallets to be loaded side by side with plenty of extra space between the pallets and the trailer sidewalls. This is the quickest method of loading pallets, but does not fully utilize the trailer cube and may not adequately prevent loads from shifting.



Loading pallets turned (or sideways) requires the use of four-way pallets. In this method, the Checker, operating a fork lift truck will pick up the pallet from the side and place them in the trailer. With standard 40"x48" pallets, this will allow two pallets to be loaded side by side in most dry trailers. Turning pallets gives the best space utilization for loading palletized loads and provides better protection from product shifting than straight loading.

Pin wheeling refers to a method where the Checkers will alter the direction of every other pallet. It's a combination of loading pallets straight and turned. Pin wheeling can be used to more fully utilize the space in a trailer or container when there is inadequate width to allow loading two turned pallets side by side. This is practical when the depth of the pallet is longer than half the trailer width, but the depth plus the width is less than the trailer width.

Our Dock Checkers are constantly challenged to deal with tall, unstable loads made up of a mix of dissimilar items in weight, size, and shape. Since every load is different, it's often up to the skill of the Dock Checker to somehow assemble a stable load out of a "little bit of everything".



Isaac reminds us of a proverb:

"Better to eat vegetables with people you love than to eat the finest meat where there is hate"

Chris Samarin says: Cold is good, Colder is better, but a warm heart is best.

Bits and Pieces

Larry Rauch and Thom Thomas both became Grandfathers recently. Sophia Rauch and Luna Irene Kim can be seen in dozens of photos in Larry and Thom's offices. Stop by, but be prepared to listen to way too many stories....After retiring from the lanes for a time, Tom Rodriguez re-joined a bowling team and went out and won the league championship in Las Vegas...Vince Campbell, Central W/H Forklift Operator recently joined nineteen other employees in the Twenty Plus Club....The Central and Astro warehouses recently completed five, virtually perfect inventory audits and inventories. Congrats to all....Juan Iglesias (Yes, he is related...to Alicia Carrillo, but not Julio) signed on as a Forklift Operator at the Astro W/H...Terry Miller's son became a member of the North Orange County SWAT team... John Scherer's patented PDX Evaporator on the Central Dock is **Pretty Darn eXciting**. Tests are proving John's theory and industry interest is mushrooming!...Debra Franco may suffer from ringing in her ears with wedding bells clanging this March...Jenifer Kim needs to be a bit more careful. It was her *turn* to be done in by a *u-turn* on the *turn pike*...Ladder accidents account for over 100,000 injuries a year: Carlos Canales says, make that 100,001, thankfully he only suffered scratches and bruises...Engineer Ron Fuller is restoring a 1972 Chevy El Camino truck he has owned for 34 years and Chief Chris Samarin is restoring a 1969 El Camino that he has owned for 35 years. Both trucks are red and missing a back seat...Fourteen truck drivers showed up to help the young blonde woman exit her wrecked car at 4th/Central last week, injuries were minor except for the broken hearts...Pedro Robledo made a clone of himself. He and wife Elizabeth are celebrating the birth of their first child, Pedro Robledo Junior...Tylar, daughter of Charmaine is going on the road with her learners permit. Sam says, when she gets her Class A, he has a job for her...Emerson Queme, Astro Checker belongs to a weekend paint ball club and competes in shooting competitions. I wonder how fast he could touch up the front wall of the dock?...Raudell De La Torre, Astro guy, sometimes drives to work in a former police car. He's so lucky, he gets to ride in the front!

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The Rauch Report Larry Rauch, President



One of the principles of the Los Angeles Cold Storage Mission Statement speaks to our desire to provide training and education to our employees. It is a commitment we take seriously. It is more clear than ever that maintaining an educated workforce becomes even more important for the future and a well trained workforce will differentiate us from our competitors. Success demands we have a workforce that is educated and trained to address today's fast moving environment and in doing so, be safer, efficient and more productive.

To that end, we are continually making sure our employees participate in training and education programs. Some examples of our commitment include:

- Chuck Gunther, in conjunction with John Scherer and Chris Samarin develops training programs for the Engineering Department. These bi-weekly multimedia programs help ensure our Engineers understand and safely operate the many machines and refrigeration systems they encounter in their daily tasks. And of course, there is usually a test at the end of the class.
- Many of our employees choose to attend educational programs to enhance their particular skills. It may be supervisory training, specialized forklift, hazmat training or accounting education. Often times an employee will identify a class they feel will enhance their productiveness and they bring it to our attention. We strive to support these opportunities.
- Every year we send employees to the World Food Logistics Organization's Institute in Atlanta for three busy days of classes on subjects ranging from introduction to refrigeration, warehouse law, and best practice classes on management and communication. The WFLO program, which requires three years to complete, typically has 300 students annually from around the country who learn from industry insiders. The attendees also get to share their experience with their peers. It is a powerful learning environment which elevates attendees to another level and allows them to grow as our company benefits from the knowledge they gain. I am pleased to report that Alex Vargas just graduated after three years and Renee Ross-Wilson completed her second year in this important program. Past graduates include myself, Thom Thomas, John Scherer, Terry Miller, Sam Reyes, Marlo Acosta and Jorge Escutia.
- Several times a year, various groups of employees attend webinars or online seminars on specific topics of interest. For example, Sam and Thom recently participated in webinar on new software for transportation.
- All our employees participate in "Right to Know" training. This program educates our employees on our use of anhydrous ammonia, other hazardous materials and MSDS information.
- The National Fisheries Institute has a program for "Future Leaders". Sam, Renee, Marlo and Jennifer Kim have participated in this extensive one year, five venue experience with other members of the seafood industry. In this NFI program the students are exposed to a wide variety of seafood industries and allows the opportunity for our employees to network with other seafood professionals.

These are just a few examples of the LACS commitment to training and education. Investing in our employees is critical to our success. We are proud of how our staff performs and we are looking for ways to help them grow their skills. It is the perfect win-win for all concerned.