



50 GEARS OF STATEHOOD

Lynden helps Unique Machine deliver a two-wheeled Alaska tribute

Unique Machine and Lynden International are quintessential Alaskan companies. Both started operations decades ago and have successfully carved out a market in a challenging environment, often working together as shipper and transportation partner. It was fitting then, that Unique Machine called upon Lynden to handle a secretive and very special project to celebrate the anniversary of the state both companies call home.

Last year, Unique Machine General Manager and Vice President Pat Hanley was enjoying an episode of the popular TV program Orange County Choppers (OCC). The OCC crew, led by father and son team of Paul Teutul Sr. and Jr., build specialty chopper motorcycles at the request of corporate or celebrity customers. Hanley wondered if they would consider building a bike with input from other machinists. After getting the green light from OCC, Hanley and former Unique Machine Owner Ken Bystedt began brainstorming about building a motorcycle to celebrate the company's 35 years in Alaska. As design ideas took shape, they decided to tie the project into another noteworthy anniversary in 2009 – 50 years of Alaska statehood.

With the statehood celebration event just two months away, production of the Unique Machine-

Alaska bike kicked into high gear. The goal was to unveil the bike at the official statehood gala celebration in Anchorage on Jan. 2. "It was also a surprise for Unique Machine employees," says Hanley. "We played a video at our holiday party with Paul Sr., telling our people "Hey guys, I'm coming to Alaska, and we're building a bike!"

Teutul Sr. and a film crew spent a day at Unique Machine filming an episode of the OCC program which aired April 30. "They took a special interest in this project," Hanley says. "Paul Sr. even visited Gov. Sara Palin while he was here."

As the bike neared completion, three Unique Machine employees flew to New York to receive it. A brutal winter storm came in right behind them. Record cold temperatures and snowfall posed challenges for the delivery of the bike which was handled by Lynden International in Seattle, New York and Anchorage.

"They wanted the bike in Anchorage before Christmas," says Lynden District Operations Manager Jeff Pennell. "Overnight deliveries are usually not a problem for us, but this move was complicated by the secrecy of the bike, the holiday rush and a storm that grounded planes and travelers for days."

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Executive Perspective

We have all become a bit introspective in this global economic downturn. It doesn't matter what type of business we're in – manufacturing, retail or the service industry – we realize that volumes are dropping significantly, profits are suffering dramatically and layoffs are a reality.

But today's business environment is also full of opportunities. These are times when professional expertise and customer service can really shine. Finding solutions for customers' changing needs can set us apart from the competition. Recognizing that our customers face the same challenges we do and finding them the most economical and service-sensitive solution builds customer loyalty. When things pick up, customers will remember, appreciate and continue to support those who helped them solve problems in tough times.

Another outgrowth of today's economy is a leveling of the playing field. With more air and sea

freight capacity available and carriers offering attractive rates, we are better positioned to purchase transportation services for our customers. This allows us to price more competitively while offering the highest degree of customer care.

Historically, Lynden excels when things are the toughest, or to quote American football player and coach Knute Rockne, "When the going gets tough, the tough get going." We are confident in our abilities, our products and our people. You can count on us to steer you and your company through the current economic storm and into what we all hope will be calmer waters in the future.



Charlie Weaver
Vice President
International Development

"...if your supply chain includes Canada, we are your one-stop shop."

THE CANADA CONNECTION



Trade show booths from Germany, plastic shampoo bottles from China and hot tubs from the U.S. all come across the docks at Lynden Canada's warehouses. Depending on the needs of the customer, the freight can be sorted, segregated and stored for later packaging and delivery to customers, or cleared and shipped to another location right away.

Lynden's array of import consolidation services sets it apart from other logistics providers in Canada. "We offer shipping to, from and within

Canada," says Robert Clarke, business development manager for Lynden Canada. "No matter where in the world you and your customers are, if your supply chain includes Canada, we are your one-stop shop."

Lynden Canada offers customs brokerage, warehouse and distribution, less-than-truckload (LTL) and full-truckload (FTL) ground transportation, air freight, ocean import/export and expertise with oversized freight and unusual shipping requirements.

"Our services are especially helpful to U.S. companies that need Canadian distribution of their products," Clarke says. "When you consider paying for a building, employees and equipment like forklifts and trucks, it quickly adds up. We can do it all in one place for less money and less hassle with simplified pricing." Lynden Canada can even provide monthly or weekly consolidated invoices for customers so they can review costs, trends and plan for future expenses.

Lynden Canada has offices in Toronto and Fort Erie, Ontario. For more information, contact Clarke at rclarke@lynden.com.



Above, from left, Lynden's Mike Morris, Unique Machine's Brad Frazier and Lynden's Randy Main and Jeff Pennell with the chopper in Anchorage. At right, from left, Paul Jr., Mike and Paul Sr. Teutel in New York.

Continued from page 1

On the appointed day, Lynden representative Tony Persaud braved the storm and drove to the OCC warehouse in Newberg, New York, to pick up the bike. Snow-covered roads turned the 70-mile trip into a four-hour ordeal which required extending cutoff times for the flight to Anchorage and constant communication along the way.

The three Unique Machine employees in New York barely made it home to celebrate Christmas with their families. "In fact, the bike arrived in Anchorage before they did," says Pennell. "It left on a Friday night flight and was unloaded in Anchorage at 8 a.m. Saturday."

Once at the Lynden warehouse, employees disguised the bike crate with black shrink wrap and safely stored it until the unveiling for Unique Machine employees on Dec. 29. A few days later, the chopper made its public debut at the Alaska statehood celebration. It was a jaw-dropping spectacle according to those who were there.

The motorcycle is truly a tribute to Alaska with elk, bear, a seal and an eagle painted on the gas tank and a map of Alaska on the fender (see photos at right). Wheel spokes are engraved with the names of each Alaska governor since 1959.

Unique Machine Superintendent Brad Frazier worked with the Lynden team on bringing the bike to its new home. "We are really excited about this bike and how it turned out," he says. "Getting it here would have been a major obstacle had it not been for Lynden putting it all together. We greatly appreciate all that they did."

Unique Machine is raffling the bike as a

fundraiser for Providence Children's Hospital in Anchorage. Tickets are \$100 each and proceeds will benefit the hospital. The drawing is Sept. 11, 2009 with the goal of raising \$500,000.

"The decision to combine our corporate anniversary bike with the 50th statehood of Alaska was one of the best things we've ever done," says Hanley. "We've been in this community for 35 years and thought it was time to give something back."

Worldwide Communications Center Manager Howard Hales speaks for all the Lynden employees involved in the project when he says each took personal pride in arranging and completing the move.

"It was a high profile project with many challenges and interesting aspects, and we all felt good being a part of it." Lynden and partner DHL donated the transportation of the motorcycle from New York to Anchorage.

To purchase raffle tickets, or to learn more about the 50th anniversary statehood chopper, go to www.umalaska.com.

"Getting it here would have been a major obstacle had it not been for Lynden..."





MEETING CHALLENGES WITH A WARRIOR SPIRIT

Southwest Airlines Cargo started the new year with a new advertising campaign: “We’re not happy unless our customers’ customers are happy.” With Southwest routinely taking honors as the airline with the fewest customer complaints, it’s clear that Southwest customers are happy – and so are their customers’ customers. The national Airline Quality Rating was the most recent to bestow this title on Southwest in April.

Despite a challenging year, the “Warrior Spirit” of Southwest Airlines employees helped the company prosper. Although no one wears face paint around the office, Southwest Cargo Marketing Manager Shelly McClay says Warrior Spirit is a tangible thing. “We have a leadership expectation here. Employees do whatever it takes to provide the positively outrageous customer service that we’re known for. We will fight for our customers.”

The carrier’s 35,000 employees are encouraged to nominate co-workers who “kick tail” for customers and display the warrior attitude. At the end of the year, warriors receive cash rewards of up to \$10,000 for their commitment to Southwest customers.

Whether they’re called warriors or employees, the Southwest team has consistently done things right since it entered the cargo business 38 years ago. For the fifth consecutive year, Southwest Airlines Cargo was recognized as Airline of the Year by the Express Delivery & Logistics Association, and it was the only U.S. airline to make FORTUNE’s list of the Top 50 Most Admired Companies in the World. Southwest ranked No. 7 on that list which is considered the definitive report card on corporate reputations.

Southwest is known for innovation and, with 150 million pounds of available cargo lift per month, it is looking beyond U.S. borders to serve its customers. The carrier is working with WestJet Airlines to add Canadian destinations for cargo; an interline partnership that is scheduled to begin later this year.

In February, Newark was added as a shuttle destination and, in March, Minneapolis/St. Paul became the airline’s 65th destination city. Southwest adds service to New York’s LaGuardia Airport in June and Boston-Logan in August. At more than 100 departures a day, Denver is the fastest-growing service point in the airline’s history. With more than 70 cargo destinations ranging from Seattle to Boston to Miami to Honolulu, a recent marketing campaign offered the observation, “Maybe we should call ourselves SouthNorthEastWest Airlines.”

Making sure that customers’ cargo is safe and secure at each destination is an ongoing goal. According to McClay, Southwest took a proactive approach to air cargo screening requirements that



Southwest Airlines – Relentlessly Reliable

went into effect in October 2008 by purchasing the necessary screening equipment and training employees a year in advance. “We made a significant investment by purchasing this equipment for our cargo facilities to make sure we provided a seamless and efficient service to customers when the regulations went into effect,” she explains.

Efficient operations are also the foundation of Southwest’s environmental commitment. For decades, the carrier has led the charge with paperless tickets, quick turnarounds, tail-to-tail transfer of cargo, installation of winglets on its fleet and most recently, the installation of fleet-wide advanced avionics.

In March, the company celebrated Green Tuesday on St. Patrick’s Day with a Required Navigation Performance (RNP) Flight between its headquarters city of Dallas and Houston, achieving a major milestone in its quest to become the first airline to fly RNP procedures at every airport it serves. The demo flight was the result of two years of hard work and a partnership with the Federal Aviation Administration (FAA) and industry partners.

RNP allows aircraft to fly more direct and accurate paths, reducing emissions and saving fuel. Southwest is investing \$175 million during a six-year project to implement RNP procedures, retrofit aircraft and train its pilots. The initial in-

vestment will provide long-term benefits to reduce industry air traffic congestion and increase aircraft efficiencies. The carbon reduction in one year of flying RNP procedures could equal the removal of 699 passenger cars from the road for one year and save approximately 400,000 gallons of fuel.

RNP is just one facet of Southwest Airlines’ effort to fly green. Other initiatives include adjusting flight speeds to conserve fuel which has saved approximately 13.1 million gallons of fuel without affecting on-time performance. Washing aircraft engines has also increased engine efficiency, saved 1.6 million gallons of fuel and reduced carbon emissions by 15 metric tons.

Southwest has even added a green component to its popular “Adopt-A-Pilot” education program for fifth graders. The award-winning program puts Southwest pilots in the classroom to lead students through science, geography, math and writing in aviation-related activities. Lessons now focus specifically on how Southwest is making its aircraft more eco-friendly. Students learn about fuel conservation, recycling and ways they can help the environment, too.

From “kick-tail” customer service delivered with a warrior spirit to providing new cargo choices to protecting the skies it flies, Southwest Airlines recognizes the importance of sharing its well-earned good fortune.



Shelly McClay

IS YOUR ORGANIZATION OPERATING EFFICIENTLY?

Miriam-Webster defines efficiency as “...productive without waste.” In business, waste means money. So being efficient has a direct impact on your company’s bottom line.

Is your company doing things efficiently? Take this simple 4-Question Organization Efficiency Quiz to assess your organization’s productivity.

1. Do you have standard processes and procedures?

This is a simple concept, but requires a great deal of discipline and executive support to complete successfully. Essentially, it means getting everyone in your organization to do things the same way. A large banking client of mine had various methods of contacting suppliers to place orders for products. Some employees would send emails. Others would telephone. And, still others would send faxes. As a result, suppliers were delivering products two or three times per day to the same location. Each delivery had a \$35 charge and the company was spending more than \$25,000 per year on delivery charges *from only one supplier!*

Deliveries were reduced to two times per week simply by standardizing the ordering process and having the supplier consolidate orders. Costs were reduced to less than \$5,000 annually. That is an 80 percent cost reduction and a \$20,000 savings just by changing the processes with one supplier. Extrapolate that over your entire supplier base and you can see the opportunities that are presented to your organization.

2. Are you using current technology?

There is some amazing technology out there and it is good advice to start using it. When possible, use web meetings, conference calls and especially e-commerce solutions. This reduces travel and operating expenses significantly. One of my clients reduced their paper usage by more than 80 percent by sending purchase orders and invoices through an e-Commerce solution and storing their purchasing documents in an online repository.

3. Are you making everyone accountable?

A couple of years ago, one of my healthcare clients created an organizational structure with no accountability. Simple decisions would take weeks, include many different resources and were often revisited after the decision was made. After some analysis, we implemented a new organizational structure where roles and accountabilities were clearly documented and understood. Employees were given clear decision-making responsibilities and knew when escalation was required. Productivity improved significantly and most decisions were made quickly.

Does everyone in your organization know what their exact role is? Are they accountable for their successes and failures? On any successful sports team, there are superstars and role players. No team wins a championship with only one or the other. You need a mix of both.

All successful companies have their superstars and their role players. The key is to create a structure and culture that supports the goals and objectives of your organization and removes ambiguity about people’s roles and responsibilities.

4. Are you striving to improve your business efficiency on a regular basis?

An organization should never be satisfied with the status quo. Most of the top-performing companies are constantly improving on what they did yesterday. Through employee feedback, waste reduction, better use of technology and improving customer service, organizations will improve results directly related to their bottom line. Those results may come in the form of increased customer retention, increased profit, improved employee satisfaction and reduced administrative costs.

If you found yourself not taking advantage of the opportunities in my organizational efficiency quiz, you are not alone. But if you want to benefit from reduced costs, increased profit, better employee retention and improved customer satisfaction, then you need to take action today. Now, who could refuse benefits like that?



Andrew Miller is President of ACM Consulting Inc., a management consulting and business advisory firm that helps clients improve organizational efficiency and communication. For more than 10 years, Andrew has been helping both existing and start-up businesses operate more efficiently and effectively. He has been featured in the Globe and Mail Canadian national daily newspaper and the Society for Human Resource Management consultant’s forum. His contributions have been featured in Canadian Transportation & Logistics magazine, the commercial book “Outsourcing Transactions: A Practical Guide” and Project Times magazine. www.acmconsulting.ca

LCL ocean product supports military growth on Guam

For more than a year, Lynden International has provided less-than-container-load (LCL) ocean service to Guam. That service is now even more important as Guam braces for a military buildup over the next five years that is expected to increase the island's population by nearly 30 percent and double its cargo volume. In addition to air freight service, Lynden International offers LCL freight service from all over North America to its Los Angeles and San Francisco gateway offices where cargo is loaded into ocean containers and shipped to Guam. Lynden also offers full-container-load (FCL) services to Guam and Micronesia.

Movers, Inc. moves to Lynden office

On May 1, Lynden's seafood logistics subsidiary Mover's Inc. moved from its previous location on Old International Airport Road in Anchorage to Lynden International's main office at 6441 S. Airpark Place. Approximately 10,500 square feet was added to Lynden's warehouse to accommodate the company's operations, including a 3,500-square-foot drive-in cooler for perishables. Lynden International acquired Movers, Inc. in April 2008. Together, the companies provide a broad spectrum of services to the Alaska seafood industry including seafood distribution from Anchorage to all points in the U.S.

10+2 regulations now in effect for importers

The Importer Security Filing (ISF), more commonly known as "10+2," went into effect in January. The ISF requires importers to submit security information on their inbound ocean shipments *24 hours before the vessel is loaded at the port of export.* This is proving to be one of the biggest changes to the inbound supply chain in the last 25 years as most foreign suppliers are accustomed to providing this information after the cargo is on the water.

"This is not a voluntary program like C-TPAT," says Lynden International Corporate Compliance Manager Jim Dickeson. "Rather, it is a U.S. Customs and Border Protection requirement and failure to comply can cost importers \$5,000 per shipment in liquidated damages. Although not enforced until Jan. 26, 2010, it would be unwise to put off

adjusting your processes. U.S. Customs will not be sympathetic to those who have ignored it until the last minute prior to enforcement."

Dickeson created a video that explains the importer's requirements and what Lynden is doing to help customers prepare. To view it, go to www.laf.lynden.com and click on the icon "10+2: Importer Security Filing" on the bottom left of the home page.

Los Angeles employees recognized with Above & Beyond Awards

Rogelio Arredondo and Michelle Skiles-Purkey of the Los Angeles station received Above & Beyond awards for third and fourth quarter 2008. Arredondo is a night dock supervisor at the station and sets an example of perfect attendance and superior customer service for his employees. His crew is handling more work with fewer people due to his management skills and work ethic. Skiles-Purkey's daily work for the customer involves working with customs and the U.S.D.A. on tight deadlines. According to her nomination, "Michelle works with all parties to get the job done. Her actions prevent expensive storage of pharmaceutical products for both Lynden and the customer."



Michelle Skiles-Purkey



Rogelio Arredondo

Inside Information

News briefs from around the Lynden International system

The Inside Scoop

What customers are saying about Lynden International

"My customers love you!"

Bobbie Rooney
Manager, National Parts
Transportation & Logistics
Mazda North American Operations
Irvine, California

Lynden in the Spotlight



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TOP PERFORMERS RECOGNIZED WITH 2008 SYSTEM AWARDS



Lynden Executive Vice President Skip Hanson (left) presents the Stanley Cup to Los Angeles District Manager Peter Landon. The Los Angeles station won the award as most valuable station for 2008 for highest revenue, customer satisfaction and system operations requirements.

This spring, Lynden International announced its annual awards for top performance throughout the company. The Stanley Cup for most valuable station was presented to Los Angeles for the highest revenue growth, customer satisfaction and system operations requirements in 2008. The Earth Mover award for top international revenue went to the Global Projects Group, and Rising Star Awards were presented to Miami and Nashville.

The Phoenix, Chicago, Honolulu, Seattle and Los Angeles stations were each recognized for Operational Excellence. Los Angeles also took honors for the EZ Commerce Award for outstanding

use and sales by a station. The individual EZ Commerce Award for outstanding use by a Top Gun went to Mike Rose of Los Angeles. Ken Davis of Boston received the individual Joe Cook Memorial Award for outstanding sales lead development by an account executive, and Dallas received the Joe Cook station award.

Ronnie Watson of the Washington, D.C. office was presented with the Rainmaker Award for an individual or owner who meets growth goals, is profitable and delights customers. Seattle's John Kaloper won the Hall of Fame Award for providing consistent, long-term success in the company and industry.

Congratulations to the following employees and individuals who received 2008 Top Gun awards for outstanding sales performance: Chris Palmer, Maui; Nick Karnos and Randy Main, Anchorage; Ken Davis, Boston; David Ford, Oklahoma City; Mary Kutscherenko and Theresa Tilley, Honolulu; Janice Hill, Maggie Parks and Mike Rose, Los Angeles; Terry Frost, Sheri Coluccio, and Patricia Coluccio, Seattle; Chris Marino, Dallas; Ronnie Watson and Alan Clem, Baltimore/Washington, D.C.

Top Gun honorable mention awards went to: Bob Oakley, Portland; Juan Diez, Fort Lauderdale; Don LaVallee, Orlando; and Connie Duffin, Philadelphia. Top Gun stations recognized for high revenue in 2008 were Atlanta, Nashville, Boston, Portland, Anchorage, Houston and Moscow.



Worldwide Headquarters
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Seattle, WA 98124 USA

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