

Disaster Relief Program

Emergency delivery of merchandise to retail stores in areas affected by disasters

Value Proposition:

Kuehne + Nagel can provide a one-phone-call solution that combines pre-positioned product in a variable-cost environment, with an effective distribution mechanism, ensuring emergency delivery of merchandise to stores in areas affected by natural or manmade disasters.

Program Steps:

- **Establish disaster-response team:**
 - Replenishment/merchandising, store operations, risk management, community relations, distribution, transportation, inventory control & vendors
- **Determine products needed & quantity:**
 - Pre- and post-disaster: lumber; plywood; hammers; nails; screws; drills; batteries; flashlights; generators; sump pumps; chain saws; chain saw oil; tape; propane; poly sheeting; tarp; shovels; snow blowers; water; etc...
- **Establish pre-positioned locations based on type and likelihood of disaster:**
 - Gulf and Atlantic coasts – hurricanes; New England – blizzards; Texas, Oklahoma, Kansas & Illinois – tornados; California – earthquakes; Nationally – flooding, terrorism
- **Establish goals & metrics:**
 - Information technology & communication protocols, including 24-hour emergency service; as well as receiving, inventory and shipping accuracy, quick-delivery and reporting procedures
- **Develop SOPs:**
 - Mission & vision
 - Set-up, receiving and shipping procedures; storage, including product rotation; disaster communication

Kuehne + Nagel's unique capabilities:

- Nationwide network of locations for appropriate product pre-positioning
- Variable-cost environment
- Consistent process across entire network with written SOPs
- Internet-enabled network enabling inventory visibility at all sites
- Proven retail experience ensures accurate product allocation

Benefits to Customer:

- Ensures timely delivery of emergency shipments of critical disaster-relief products to stores
- Frees customer's distribution centers' capacity for high-velocity operations
- Improves DCs' efficiency metrics
- Ease of administration with one Kuehne + Nagel monthly invoice – including KPI metrics reports – for all locations
- Reduces need for additional capital expenditures
- Allows for larger purchases, capitalizing on forward buy opportunities or economies related to order size
- Ability to demonstrate community involvement

