



Wood

## COASTAL PACIFIC: Continual Change, Constant Reinvention

The languishing economy has prompted companies throughout the military resale supply chain to optimize efficiencies and keep costs down. For Coastal Pacific Food Distributors (CPFD), this initiative is part of what Executive Vice President (EVP) and Chief Operating Officer (COO) Terry Wood calls “Our continual change and constant reinvention.”

Now the second largest worldwide military distributor of food and related products, CPFD, whose territory largely covers the western U.S., Alaska, Hawaii, Guam and the Pacific Rim, recently extended the scope of its services to two of its exchange clients.

In September, the company bid successfully to service a variety of distribution needs for the Navy Exchange Service Command (NEXCOM) and the Marine Corps Exchange (MCX) through a single order/single invoicing system. The NEXCOM program began in September; MCX is expected to run before the end of the year.

“We were asked by NEXCOM a couple of years ago to do streamlined order processing,” Wood said. “The changes we have made are to be good stewards to the military resale system. We have made some technological changes to assist this effort, but it really is about making sure that we are offering ideas and assistance to our industry members.”

Wood said he estimates that single invoicing eliminates 12,000 invoices annually, and improves shipment times to NEXCOM locations in the Pacific by 50 percent.

No longer will CPFD have to generate massive amounts of transactions to record individual orders, Wood said. “The transactions are now treated as one big order.”

Wood said CPFD’s reconciliation process is designed to ensure that fill rates — the capability to keep shelves properly re-stocked — are higher and items are priced accurately. “We’re working closely with NEXCOM on this so that if anything needs to be changed, we can tweak it,” he said. “This way it is pretty much



CPFD’s Fife, Wash., distribution center underwent a 51,000-sq.-ft. significant dry storage expansion.

PHOTO COURTESY CPFD

direct and we keep our vendors in the loop. The invoice reduction is certainly a savings in time and money.”

### FACILITY EXPANSION

Despite the slow economy, CPFD continues to invest in its distribution capabilities. In 2010, it opened a 91,000-sq.-ft. state-of-the-art frozen food warehouse at its 429,000-sq.-ft. Ontario, Calif., distribution center; and in 2009, its 153,000-sq.-ft. Fife, Wash., distribution center underwent a 51,000-sq.-ft. dry storage expansion.

### DISASTER PREPAREDNESS

Coastal Pacific’s team is responsible for product sourcing and procurement, warehouse operations, logistics, information technology, and customer service. And, at times, their scope extends to disaster preparedness and response.

When a magnitude 8.9 earthquake struck Japan on March 11, 2011, triggering a 23-foot tsunami that battered Japan’s coast, followed by damage to the Fukushima nuclear reactor, produce from many growing regions was banned due to radiation contamination concerns. Lettuce growers were hit hard by the disasters, resulting in limited local supply available to commissaries.

To deal with this supply issue, CPFD executed weekly airlifts of both romaine and iceberg lettuce to support its military customers. In addition, CPFD coordinated efforts with DeCA to mobilize vans to carry water to the affected areas. In the first three days following the disaster, 50 vans were mobilized, and eventually 150 vans were put into service.

“DeCA cited us as being a contributor to the disaster response in Japan,” Wood said, preferring to call it a team effort. “Particularly with the water, the manufacturers were responsible for providing it — it doesn’t just fall on us. The manufacturers were quick to have product available to pick up within the first 24 hours. There is no way you can have sufficient inventory on hand at all times for one of these disasters. Manufacturers, brokers — we all pulled together to get it done.” —E and C NEWS



Igoe

## CPFD Inks Single Invoicing Deals With NEXCOM, MCX

Both the Navy Exchange Service Command (NEXCOM) and Marine Corps Exchange (MCX) have a large degree of familiarity with CPFD’s services over the years. And that comfort level — coupled with CPFD’s business reputation — helped forge a new single invoicing agreement with the two exchanges.

“Coastal has demonstrated they are a supplier with integrity and have been a great supporter of the MCX organization,” Cheryl Lemmon, general merchandise manager (GMM), MCX, wrote in a letter to vendor partners announcing the CPFD partnership.

Pat Igoe, vice president and GMM, NEXCOM, in a letter to vendor partners, wrote that CPFD “has always demonstrated great acumen and integrity in supporting our exchanges.”

CPFD’s streamlined approach “essentially will replace individual orders from each manufacturer on a weekly basis for every ‘ship to’ location to a single ‘roll up’ purchase order from CPFD,” Igoe wrote. “We will eliminate vendor minimum order quantity concerns and reduce shipment timelines to NEX Pacific Rim locations by 50 percent. This is definitely a win for all involved, most importantly our customers.”



Lemmon