

PRESIDENT'S MESSAGE

"What if" you just landed the biggest account in your company's history? "What if" your new product launch just revolutionized your industry? These are the type of "what if" questions we would all welcome and enjoy pondering.

On the other hand, "what if": 1) your computer system crashed and there was no backup of your company's records? 2) a new employee was hurt on a piece of equipment he or she was not yet trained to use? Or, 3) you were in possession of some product that may have been contaminated in some way? Although certainly not as pleasurable to consider, these are very real "what if" questions that confront our industry.

Throughout this edition of Briefings, we offer some insight into warehouse safety, risk management and disaster contingency planning. In both the warehouse and construction environment, we are acutely aware of the risks present when heavy equipment and a human workforce interact. As a result, we commit substantial resources to identifying, prioritizing and compiling action plans to best mitigate risk to employees and business interruption. I encourage you to spend some time with your management team reviewing your readiness as well.

We recognize our responsibility to protect our employees as well as our customers' products. In addition, we know that in order to be a reliable supply chain partner, we must expect the unexpected. In this spirit, we will continue to ponder the many "what if" scenarios so when one arrives, we will be prepared.

Sincerely,



Chuck Tippmann



TRAILER SECURITY ON YOUR LOT

After the federal hours of service rules changed for drivers in January of 2004, more carriers began looking to reduce their drivers' time at docks by dropping and hooking loaded trailers at facilities instead of having their drivers wait at the dock. With the growth of this type of business, public refrigerated warehouse (PRW) companies may become liable for the loss or damage of goods stored on trailers that are in the PRW's custody unless reasonable care is exercised.

Reasonable care should include:

- Securing the trailers so that they cannot unknowingly be taken off the PRW's property
- Monitoring and documenting fuel, operations and temperature readings of the refrigeration unit while the trailer remains loaded in possession of the PRW.

Interstate Warehousing is rolling out a uniform policy for all of our warehouses to both protect our customer's product and reduce our liability.



With the growing trend of dropping and hooking trailers at PRWs, care should be taken to ensure security and product integrity



October 23 - 24, 2005
Productivity Convention & Expo
Gaylord Palms Resort, Orlando, Florida, Booth # 817

October 26 - 29, 2005
World Wide Food Expo
McCormick Place, Chicago, Illinois, Booth # S5635

Come visit the Tippmann Group & Interstate Warehousing team at these upcoming trade shows. Stop by our booth and receive a complimentary shoe shine!



For more information about Briefings and/or our services, please contact Mark Wolf at: mwolf@tippmanngroup.com

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inside

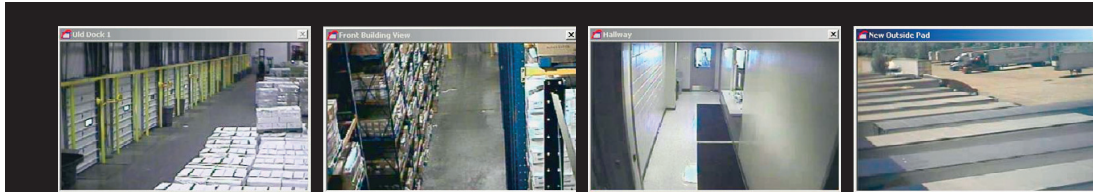
- KEEPING THE WAREHOUSE AND PRODUCTS SAFE**
A PHASED AND PROGRESSIVE APPROACH TO HELP ENSURE SECURITY
- DISASTER CONTINGENCY PLANNING**
PREPARING FOR THE UNEXPECTED
- IDENTIFYING RISKS**
BEING PROACTIVE WITH RISK-RELATED ISSUES

TIPPMANN GROUP



KEEPING THE WAREHOUSE AND PRODUCTS SAFE

In a post 9/11 world, dramatic changes in security have affected almost every facet of our lives. These security concerns have also had an impact on the cold storage and distribution industry. In the last few years, Interstate Warehousing has instituted a phased and progressive approach to helping ensure the security and control of our customer's products.



Warehouse security cams

Efforts to enhance security at our facilities started with site assessments to identify key areas of potential vulnerability, which allowed our company managers to prioritize areas for improvement. Once identified, these areas were then scheduled to be taken care of as part of our overall risk management strategy.

Below are some of the areas Interstate Warehousing has implemented programs or enhanced systems to help protect our nation's food supply:

- Pre-employment criminal background checks
- Compliance with provisions of the Bio-terrorism act of 2002
- Installation of digital recording security camera systems
- Institution of an Operational Risk Management Plan
- Installation of HID Compliant Key FOB's for building access

Security is an ongoing everyday process and the above programs and initiative are just some of the steps Interstate Warehousing and the Tippmann Group have taken to help tackle the security issue head-on.

DISASTER CONTINGENCY PLANNING

PREPARATION. PREPARATION. PREPARATION.

“Expect the unexpected” is a phrase we hear very often, but many companies may not be prepared when the unexpected actually happens. Every warehousing facility can experience a serious incident that can prevent it from continuing normal operations.

Some possible examples of incidents that could lead to that include:



If any of these events were to happen to a distribution facility, the management team at that facility has a responsibility to respond to and recover from such an incident in a minimum amount of time, with minimum disruption and at minimum cost. This requires thoughtful preparation and planning.

Once you have developed a plan, you must test the plan. The plan should be tested by those persons who would conduct those activities if the situation being tested actually occurred. Testing documentation should be recorded and results shared for evaluation and future testing. It is also critical to have supporting documentation of proper training for those persons who are performing the testing.

After the contingency plan is in place and has been tested, maintaining it becomes essential. Assign someone the responsibility of ensuring that plan is maintained and updated as changes occur within your facility.

With these ideas in place you should be able to recover from a disaster in as little time as possible, helping to minimize your loss, and returning the company to regular business in an efficient manner.

Here are a few steps that you can follow to help prepare yourself for the “unexpected.”

- Be sure to include all divisions within the company (everyone from the warehouse employee to corporate management needs to know their responsibilities in the event of a disaster).
- Form a list of potential serious incidents (Often the most difficult step, trying to anticipate what may happen, but also the most important step).
- Determine the impact assessment of each item on the list, no matter how remote the likelihood of its occurrence.
- Rank each incident by severity
- Create a risk table—ranking is determined by looking at both the likelihood and severity of the event.
- Develop your plan—start with the incident which is ranked the highest.
 - Begin with immediate responses needed to deal with the sudden disruption
 - Create a step-by-step process to get your facility back to normal operations

IDENTIFYING RISKS

KNOW THEM. KNOW HOW TO REDUCE THEM.

If you believe in the theory that all incidents can be prevented, then you have most likely already surveyed your warehouse to identify the biggest risks. Knowing what those risks are and how to prevent them is the first step toward eliminating them, making your warehouse a safer place to work.

Some proactive steps that you can take include making sure that you have a plan for each of the risks identified above.

- Do you have checklist in place for each risk?
- Is it something you perform daily, weekly, monthly, quarterly, annually?
- Can it be done internally or do you need to hire an outside contractor?
- Is your Safety Committee truly part of the process as well as your First Line Supervisors?
- Are they held accountable?



The seal is verified, then the doors are opened inside the warehouse by a warehouse employee, enhancing product safety.

Here are some of the biggest risks we, as owner-operators of temperature-controlled distribution centers, face in warehousing today:

1. Fire
2. Ammonia Release
3. Power Loss/Failure
4. Rack Failure
5. Equipment Failure
6. Biosecurity

Once these risks have been identified, you must take action to prevent them. With each item on the list, it takes the entire team to be proactive rather than reactive. Being proactive when dealing with risk-related issues can help to reduce the severity of the risk involved. Being reactive, on the other hand, can sometimes turn into a “too little, too late” situation, finding out “the hard way” about what can happen when something goes wrong.

Documentation, commitment and training are the keys to success in reducing your risk. For example, when your team reviews fire risk, some of the most obvious items for your checklist are monthly fire extinguisher checks and documentation that employees have training to operate them, monthly fire inspections in each area of the warehouse, storage of pallets, housecleaning, fire suppression impairment inspections, thermographic electric panel testing, hot work procedures and lock out/tag out systems. The list can go on and on, but once identified, you must put procedures in place to address each issue and follow through with an Action Item List or Work Order, whichever your policies state.



Dock doors that allow trucks to back up to the facility with the door still closed and sealed can reduce Biosecurity and tampering risks.

WHAT'S NEW AT TIPPMANN GROUP?

INTERSTATE WAREHOUSING – INDIANAPOLIS (FRANKLIN), INDIANA

This summer, Tippmann Group and Interstate Warehousing opened the doors on our newest public refrigerated warehouse facility, located just south of Indianapolis in Franklin, Indiana. Strategically located immediately off I-65, the new 155,000 square foot facility was designed and built by Tippmann Construction with Master Planning in place for future expansion up to 750,000 square feet.



Phase I of the newest Interstate Warehousing public refrigerated warehouse facility in Franklin, Indiana, featuring more than 23,000 pallet positions.

Phase I of the facility offers more than 4.8 million cubic feet of space, and increases Interstate Warehousing’s storage and distribution space in the Indianapolis market to more than 15 million cubic feet.