

Coastal Cargo Company

3500 Terminal Drive

New Orleans, LA 70115

<http://www.jkgroup.com/>

Customer Overview:

Coastal Cargo Company, located in New Orleans, Louisiana is the foremost expert in the stevedoring industry. The Louisiana Avenue complex consists of three wharves, more than 430,000 square feet of warehouse space and with easy access to two major railroads and Interstate I-10; one can clearly see why Coastal Cargo Company is one of the largest break bulk terminal operations in the Port of New Orleans.

An operation of this magnitude requires the right equipment to accommodate each individual midstream operation. Coastal Cargo currently operates over 200 pieces of materials handling equipment that is frequently in need of scheduled maintenance, breakdown repair and safety inspection. When selecting a partner to provide these services, they were seeking a major player in the materials handling industry – and Briggs Equipment had all the right stuff.

Briggs Equipment serves some of the largest markets in the United States, operating 18 locations throughout Texas, Louisiana, Mississippi, Alabama, Georgia, and Florida. Briggs offers new and used industrial equipment, service, parts, equipment rental and fleet management consultation. Ranked largest in the world by many of the manufacturers we represent, Briggs has earned its leading-edge position by developing the best people, investing in the right technology, and listening to thousands of customers to understand the goals and needs of the markets we serve.

The Problems:

Dave Clement, Director of Procurement and Safety for Coastal Cargo, had struggled over the years to find a supplier that could provide prompt service response, experienced

technicians and single-source parts capability. He tried a number of suppliers in his search to align with the best partner to fulfill his needs. These needs were straight forward;

1. provide consistent pricing throughout his multi-facility region
2. assign a dedicated team of experienced service and parts personnel
3. perform safety inspections on equipment
4. improve parts availability and expedite orders with urgent demand
5. reduce maintenance expense

Over time, Mr. Clement gave Briggs Equipment the opportunity to prove themselves and become the strategic business partner he was seeking.

The Briggs Approach:

Briggs Equipment understands the importance of providing customers with consistency, product experts, methods of accident prevention, reduced down-time and savings associated with delivering the right part at the right price the first time. Responding to Coastal Cargo's needs, Briggs executed the following:

1. The need; Provide consistent pricing throughout his multi-facility region.

The action; Servicing ports in Pascagoula, AL, New Orleans, LA, and Houston TX, Briggs studied Coastal Cargo's service repair rate and parts pricing, from which they uncovered some inconsistencies given their multi-port operation. From that, they elevated the customer standing to recognize all three facilities as one customer versus three separate and smaller operations, thus providing a preferred pricing schedule at reduced rates.

The result; An 11% savings on service and an 18% savings on parts.

2. The need; Assign a dedicated team of experienced service and parts personnel.

The action; Coastal Cargo was provided two dedicated service technicians, each with over 15 years of heavy equipment experience and two dedicated parts specialists experienced in stevedoring applications. The service team's job remains in place today – guaranteeing that when repairs are needed, that a technician makes every effort to arrive within two hours of the request to diagnose the repair properly, the first time. The

parts team is responsible for customer assurance so that the correct parts get delivered each day if they are in stock or, automatically expedited with management attention if a part needs to be ordered.

The result; Briggs best and most application intuitive experts consistently service the customer to deliver superior service.

3. The need; Perform safety inspections on equipment.

The action; Pulling from a pool of long shore-man equipment operators requires Coastal Cargo's equipment to be routinely inspected by a certified maintenance professional.

With his safety responsibility, Mr. Clement enforced the need to inspect his equipment on regular intervals as outlined by the manufacturer. Briggs now provides documented safety inspections and OSHA compliance requirements which have reduced the number of accidents and unnecessary equipment breakdowns.

The result; Accidents have been reduced by 29%.

4. The need; Improve parts availability and expedite orders with urgent demand.

The action; Time is money and the longer high-use equipment is down due to a parts delay, the less productive a workforce will be. To provide higher parts availability we first analyzed twelve consecutive months of Coastal Cargo's purchasing patterns and adjusted our local branch inventory to account for frequently used parts so that same-day delivery or pick-up could occur. Second, with communication as the key to any strong, lasting partnership, Briggs Equipment provided daily email notifications to Coastal Cargo so that if a part was backordered, daily analysis could be performed to accurately determine when the equipment would be returned to operation. In addition to these email notifications, Briggs parts management team proactively contacts Mr. Clement to review the backorder(s) and determines which, if any, parts need to be raised to highly critical status.

The result; Availability of parts stocked for Coastal Cargo increased 23% and a successful method to hedge against backorders was developed.

5. The need; Reduce maintenance expense.

The action; Having leveraged the full scope and size of Coastal Cargo, Briggs Equipment provided a volume rebate incentive in addition to their preferred pricing schedule. This was based on their annualized spend to recognize their purchasing capacity and most importantly, say “thank you” for the opportunity to earn their business.

The result; A world-class business relationship between Coastal Cargo and Briggs Equipment, an overall maintenance expense reduction of 16%, and productivity gains from equipment operating at peak performance.

The Summary:

Coastal Cargo has awarded all service repair, parts and equipment purchases to Briggs Equipment. Briggs has stream-lined the service process with dedicated professionals who consistently meet or exceed Coastal Cargo’s expectation in each port for all applications. Mr. Clement says “We realized that to be at the top of the industry that you have to be brave enough to take chances and be the trend setter, not the follower. Briggs Equipment has given our company the opportunity to be just that. In turn, we have made Briggs Equipment our sole supplier for parts, service and all equipment needs. We anticipate the business relationship we have with Briggs with only become stronger.”