THE HERVICAB

2022 | Volume 1 | Issue 2



HERMANN SERVICES HAS MOVED OUR CORPORATE OFFICES FROM DAYTON TO MONMOUTH JUNCTION, NJ!

Following a full renovation and decoration of the office space, the doors officially opened on September 26, while warehouse operations in the building have continued as normal.

Hermann Services initially purchased the 80-acre property in 1968 and built several buildings, which created terminals with 400,000 square feet of storage space and 110 total dock doors. Over the years, the warehouses were sold off until only the 21 Distribution Way location remained. In September of 2021, Hermann decided to consolidate its Dayton and Monmouth Junction offices by renovating and redecorating the office half of the building and using it as an opportunity to showcase Hermann Service's long, family-owned and operated history.

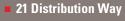
The Old Timer truck, purchased by founders Fred J. and Myrtle Hermann, received a facelift from Vintage Motor Cars in Westbrook, CT, and sits prominently in the lobby. Featured in the conference room is a leadership wall, showcasing each generation of Hermann ownership, and the operations room sports a collage of memorable employees and moments from the company's ninety-five years in business.

Karin Baran, Fleet Maintenance/Road Service Coordinator, remarked, "This new space is beyond words. It's spacious, beautiful, and inviting — will really be a pleasure to come to work every day."

"For the first time in my life, I am proud to say that I am part of an organization that goes above and beyond for not only our customers but the employees as well. Our new facility is a work of art and experience like no other; Hermann truly cares and you will not only see it, you will feel it when you walk through the doors," said Jasmine Figueroa, Logistics Coordinator.

Brian Nallen, Vice President of Operations, is always 'Hermann proud': "2022 is an exciting time for Hermann Transportation. Not only are we celebrating our 95th year and fourth generation of leadership, but we also opened this state of the art corporate office and delivered the 'Old Timer' on September 29th. We have been fortunate to be part of this moment and able to experience the continued success and growth. We cannot wait for the next 95 years in business."

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SURVIVING SURPRISES IN THE SUPPLY CHAIN

Since the beginning of the Covid-19 pandemic, global supply chains have been impacted by lockdowns, worker shortages, manufacturing holdups, and then the war in Ukraine. Consumers worldwide were impacted in the form of product shortages, slower delivery times, and an increase in pricing across all goods and services. The great toilet paper shortage at the beginning of 2020 was only the beginning of a long chain of visible disruptions.

The trucking industry was also affected in several ways. As wave after wave of coronavirus surfaced, truckers began retiring. With less work due to the lockdowns or a higher risk of getting sick for those who drove, these workers left the field and created a

shortage of truck drivers. When Russia invaded Ukraine in March of this year, the industry was hit again – the most notable change was a steep increase in diesel prices. Because of this, the cost to transport goods increased, as well as prices for consumers.

Over the summer, the slow creep of inflation altered consumer spending habits, and the word 'recession' became popular with industry experts and financial analysts. Businesses scaled back on inventory needs or rethought their plans for inventory that was out of season. With the holiday season fast approaching, many organizations are shifting their plans again to accommodate the seasonal rush.

WISHING LILLIAN MIFFLIN A HAPPY RETIREMENT!



This quarter, we wished Lillian Mifflin, our senior billing analyst, a very happy retirement after being with Hermann Services for 23 years! Having worked in three different offices during her tenure with Hermann, Lillian started with the company in 1999, participated in every Halloween costume contest, and loved working with her fellow employees. Her plans for retirement? Enjoying time at her cabin and with her family!

Congrats, Lillian, and thank you for your years of service!

HERMANN WAREHOUSE EXPANSION

Hermann Warehouse Corporation continues to expand their locations, this time with the addition of two new buildings!

The first can be found on Rising Sun Road in Bordentown, NJ-right down the street from our first Bordentown location. This brand-new warehouse provides 208,000 square feet of storage as well as ample exterior space for parking, asset maintenance, and other transportation services.

A second warehouse was acquired in Houston. Located on Cavalcade Road just outside of the downtown area, the building opens this fall with 70,000 square feet for storage and ideal placement near the Port of Houston, City Docks, Bayport Container Terminal, and key road and rail routes around Houston. We're delighted to provide additional warehouse services in the Southwest US with this expansion.

Hermann Warehouse Corporation also welcomed Robert Ludden in July as the new Vice President of Warehouse Operations. "Everyone has made me feel welcome and part of this family here at Hermann. I see this opportunity to contribute to an exciting/forward-thinking, fast-moving company and with my 20+ years with 3PL experience and knowledge, I feel I am right where I need to be," Ludden said.





Jim Brown, National Logistics Manager at Schuetz, found that customer order patterns became more volatile than normal due to staffing needs, business growth, seaport disruptions, and lack of carrier capacity. However, he says that "the relationship we've built with Hermann over more than two decades leaves me with the confidence that they would do whatever they can to help us succeed." How can other organizations develop a strong supply chain? Brown suggests two things: "Number one, keep a diversified portfolio of supply chain partners and always have an alternate plan. Second, treat your supply chain partners with respect. In the COVID era, there is a greater reliance on building a mutually beneficial, lasting business relationship."

ROLLING OUT IN 2023: FREIGHTLINER ECASCADIA

Hermann Services plans to launch its first group of electric vehicles (EVs) in 2023. The Freightliner eCascadia, powered by Detroit Assurance®, will offer improvements such as Active Side Guard, Lane, and Brake Assist, charging up to 80% in just 90 minutes, and reduced noise and cab vibration while driving – all while producing zero emissions.

With the supply chain industry striving for more environmentally friendly practices, the addition of EVs to Hermann's operations opens the door for cleaner transportation and other, future innovative assets. In fact, several of Hermann Warehouse Corporation's buildings already utilize lithium battery-powered forklifts which improve functionality as well as cleanliness in the warehouses.

A longtime member of the EPA's SmartWay Carrier program which aims to advance supply chain sustainability, Hermann is excited to add its first group of EVs to the fleet next year.

"We're always looking for ways to reduce our carbon footprint, and the Freightliner eCascadia is a great step for Hermann. Not only is this a sustainable option for us, but it comes with technology advancements that support Hermann's safety culture as well."

- Jeff Hermann, President and CEO





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CELEBRATING OUR EMPLOYEES' MILESTONES



While we're celebrating a milestone in our company's history, we'd also like to acknowledge the employees celebrating milestones with us this quarter.

1 YEAR

Liza Cantel
Joseph Courter
Rene Fernandes
Kathleen Glaeser
Charles Hamm
Ronald Harrington
Andrew Kraycirik
Delmas Marshall
Susan Naperkowski
Cristian Valerio

2 YEARS

Derricko Luckey Billy Ray McMillan Keith Randolph Shawn Ressler Hilario Sinta Hope Smith Tyanna Smith

3 YEARS

Franklyn Espinal Carlos Morales Brian Nallen Consuelo Pizania Donna White

4 YEARS

Kellyn Jibaja Lawrence Pol

5 YEARS

Richard Kearns Rich McFarland

8 YEARS

Ebony Hunter Prince Watkins

9 YEARS

Luisa Hermann Juan Pontier James Thalasinos

11 YEARS

Mike Horvath

12 YEARS

Cletus Cheshire

13 YEARS

Michael Lawrence Maria Martos

14 YEARS

Bruce Findley

16 YEARS

Jerry Bruno

17 YEARS

Bill Tihanich

18 YEARS

Bryan Hermann

24 YEARS

Margarett White

37 YEARS

Walter Eib

THANK YOU FOR YOUR YEARS OF SERVICE!