

CHEMICAL DISTRIBUTOR

Volume 44 | No 3
July-September 2020



Heading in the right direction

INSIDE THIS ISSUE

- Putting plans in place
- Inventory management
- HOS is on the right road
- Managing your data
- Pandemic impacts freight
- CSR must be a priority



National Association of
Chemical Distributors



The Logistix Company



- The Logistix Company is a third party logistics provider specializing in the transportation of bulk chemicals, liquid or dry.
- Experienced in hazardous material transportation.
- Access to short- and long-term warehousing, coupled with repackaging services grants The Logistix Company flexible delivery options to fit your schedule.

FAST FREIGHT WITH TLC

thelogistixco.com | 401.560.0660

Contents

Welcome	5
Member news	6
Opinion: The View from Washington	9
COVID dominates discussions in run up to election	10
Business: A strategy for success	12
ChemEdge: Become a better leader	14
ChemEdge: Adopt the right approach to safety	15
Manage your inventories the right way	16
Regulation: HOS update is on the right road	18
Harness data through Managed Services	19
Virus takes its toll on freight rates	21
NACD members lead by example in ICIS Top 100 ranking	22
Responsible Distribution: CSR takes center stage	24
Insight onsite – Brainerd Chemical's Rebecca Osborne	25

Upcoming Events

For more details, and to see the latest webinar schedule, visit
<https://www.nacd.com/education-meetings/education/online-education/webinars/>

*May be subject to change

September 1-3, 2020

ChemEdge 2020, Virtual Conference

November 9-12, 2020

Annual Meeting 2020, Virtual Conference

NACD

1560 Wilson Boulevard, Suite 1100
Arlington, VA 22209, US
Tel: +1 703 527 NACD (6223)
Fax: +1 703 527 7747
Website: www.nacd.com

Editor Matthew McKinney
Executive editor Lucinda Schofer
Editorial Andy Brice
Production Louise Murrell
Design Christine Zhang

For advertising enquiries
Christina Rodrigues
Christina.rodrigues@icis.com
Printed by
Newman Thomson

PRODUCED FOR NACD BY ICIS

Quadrant House,
The Quadrant,
Sutton, Surrey,
SM2 5AS, UK
Website: www.icis.com

© Copyright by National Association of
Chemical Distributors (NACD) 2020. All rights
reserved. No reproduction without the prior
written consent of NACD.
Front cover: Rex Shutterstock



CAFFEINATE

YOUR PROFESSIONAL DEVELOPMENT AND INDUSTRY KNOW-HOW

NACD's ONLINE TRAINING CENTER

It's as easy as taking a coffee break.



Your Online Portal for Responsible Distribution Courses

Meet your team's training requirements through more than 20 Responsible Distribution courses.



NACD U Operational Courses

Plus, more than 200 courses cover day-to-day operational topics for chemical distribution.

New courses are added regularly.

Courses can be paused, saved, and completed for the user's convenience.

Enrollment is easy. See the full course catalog! www.nacd.com/nacd-u

Welcome

Robust business strategies are a must

As the COVID-19 economic and health crisis drags on despite most states reopening in recent months, we continue to live in a virtual world. The Democratic Party will be holding a virtual nominating convention, and the Republicans will likely be hosting a scaled-down version of their in-person event, presumably with a hybrid virtual option as well. Additionally, due to the pandemic, NACD will be holding our ChemEdge conference virtually from September 1-3, 2020.

Nevertheless, whether you are working onsite or at your home office, having a well-crafted business strategy has never been more important. Transportation issues are always top-of-mind for distributors, especially so in the current environment. Paying attention to freight pricing trends will help your company plan for potential opportunities and challenges you might face – like increased driver demand and shortages, longer detention times, or increased insurance costs.

One recent positive development has been changes to the U.S. Federal Motor Carrier Safety Administration's Hours-of-Service rules for truck drivers, which will ease the regulatory burden on your fleets and/or contractors.

Beyond transportation, managing inventory successfully requires both an overarching strategy as well as day-to-day practices that determine how well you are able to maintain current product lines, shift to new products, and meet customer demand. That could include physical inspection backed up by electronic tools like warehouse management systems, diversifying your customers and suppliers to ensure a steady flow of product in and out of your facility, and making sure to include low-probability events in your business strategy like pandemics and weather events.

As always, chemical distributors face many challenges to ensure the growth of their companies, and COVID-19 is certainly no exception. That said, I am proud of the creative ways our members have kept their businesses operational and positioned themselves for further growth once this national and global health crisis subsides.



ERIC R. BYER

President & CEO, NACD
@ebyerNACD



SUPERIOR MATERIALS TO REPRESENT DURA CHEMICALS, INC.

DURA Chemicals, Inc. and Superior Materials have announced an agency partnership in the Northeastern and Mid-Atlantic United States, effective July 1. DURA Chemicals, Inc. manufactures Duroct® and DriCAT® solvent-borne and water-based specialty driers (including cobalt alternatives), as well as other specialty metal organics for the paint and coatings, printing inks, and specialty chemicals industries.

BUCKLEY OIL GOES THAT EXTRA MILE WITH NEW LEARNING INITIATIVE

Buckley Oil has been involved in an entrepreneurial “kids and business” program and has committed \$100,000 to help ensure its long-term success. The initial idea for the partnership with the Midlothian ISD was raised toward the end of 2018 to help them bring the initiative to the district. The MILE (Midlothian Innovative Learning Experience) is housed in an old elementary school, which is currently being renovated to support programs including entrepreneurship (INCubator EDU), cybersecurity, engineering, and culinary arts. The past year has seen work take place on the program content, the community support, and the facilities at The MILE. Jason R. Jacobus, executive vice president of Buckley Oil took the role of community co-chair for the INCubator EDU program.

TOTAL DISTRIBUTION, INC. COMPLETES COLD STORAGE RENOVATION

Total Distribution, Inc. (TDI), a Peoples Services, Inc. company, has spent two years upgrading its Winston-Salem, NC cold storage warehouse to meet increasing demand. It acquired the 80,000-square foot facility in December 2017. It has a new insulated roof, updated cooling equipment, new racking, concrete dock area, automated freezer doors and seals as well as refurbished offices. The company has expanded the cooler rooms and can expand or contract space as customer need requires. Additionally, the facility has 35,000 square feet of

MICROCARE NAMES SILVIA AS NEW ASSISTANT CORPORATE CONTROLLER

MicroCare has welcomed Beth Silvia to the team as its new assistant corporate controller. In her new role, she will be responsible for managing the company's accounting and finance functions for MicroCare in the U.S. and all its foreign subsidiaries.

Silvia will also supervise audits and all global corporate financial reporting, statutory filings, and tax compliance. She will work out of the New Britain, CT corporate offices. Before joining MicroCare, she was previously director of finance for South Central Connecticut Regional Water Authority, as well as holding roles for United Technologies, Otis Elevator, and Deloitte & Touche.

“I am thrilled to welcome Beth to the finance team, and am confident that her technical abilities will contribute to our continued success moving



forward,” said Steve LeFebvre, MicroCare's chief financial officer.

“Her proven track record of managing corporate finances across a wide range of industries makes her ideally suited to lead our finance department. We look forward to benefiting from her vast experience as we continue to reach a broad range of global customers in growing industries such as printed circuit board and medical device manufacturing and fiber optic communications.”

dry space and several acres of property available for future expansion. “We feel food-related distribution should stay strong even during economic downtimes when manufacturing needs are lower,” said Doug Sibila, president and CEO of Peoples Services, Inc. “The Winston-Salem storage facility is a nice addition to our food-grade distribution regional network services.” TDI sees the importance of constantly improving as a company and values the additional and flexible space that the Winston-Salem warehouse location provides with its cold storage capabilities. The company operates over 8m square feet of public and contract warehouse space specializing in a variety of commodities.

PALMER HOLLAND SELECTS NET AT WORK AS TECHNOLOGY PARTNER

Net at Work, a full-service technology and business consultancy, has announced a partnership with Palmer Holland, a national distributor of spe-

cialty ingredients and chemicals. Net at Work will optimize and support Palmer Holland's Sage X3 ERP and CRM implementations, and provide comprehensive technology guidance and support to better serve its growing customer base and maintain a competitive edge. Net at Work is a technology partner for companies in the chemical manufacturing and distribution industry looking to streamline their operations and transform their business. Its understanding of the unique business requirements of companies in the space is underscored by its Chem at Work extension of the core Sage X3 solution, which combines the industry insight of chemical manufacturing professionals with the skills and experience of Net at Work's team of Sage X3 experts. “We selected Net at Work after a thorough evaluation process because they know this industry, share our focus on service excellence, and offer a complete technology portfolio while maintaining an agnostic approach in recommending and imple-

menting the best solutions,” said Charlie Laurie, chief innovation officer at Palmer Holland. “We're confident that they will be a valuable partner in supporting Palmer Holland's growth in the years ahead.”

TCR INDUSTRIES LAUNCHES DIGITAL CUSTOMER PLATFORM

TCR Industries has launched its new, digital customer service platform to serve its distribution customers faster. TCR Industries has partnered with Opentrade, a digital innovation services company, to help design and implement its digital customer service platform. “When I speak to companies across the chemical manufacturing and distribution value-chain, it is clear that digital technologies will help us reduce our chain's supply chain complexity and improve our speed of customer service,” said Gary Glaviano, president, TCR Industries. “We have made significant investments in expanding our digital capabilities with this announcement, and we will continue to improve our digital customer service capabilities so that we could serve more principles and distribution customers faster.” Since 1991, TCR Industries has focused its business on delivering industrial and fine ingredients products to industrial and consumer products industries. It currently partners with over 50 principals to deliver over 10,000 products through its supply-chain network.

MAROON GROUP ANNOUNCES HOLLAND CHEMICALS ACQUISITION

Maroon Group LLC has bought Holland Chemicals, a value-added distributor of specialty chemicals and ingredients to the personal care, household & industrial cleaning, food, and industrial markets. Holland Chemicals' management team, led by Jonathon Rhodes, will continue to actively manage the business on a day-to-day basis. The addition of Holland Chemicals continues Maroon Group's strategy of supporting customers and principal suppliers through industry-focused sales and technical teams throughout North America.



Based in Burr Ridge, Illinois, Holland Chemicals provides a differentiated service offering through its technical sales model, formulary support and development capabilities, and focus on customer service. As part of Maroon Group, Holland Chemicals will continue to focus on its core markets while leveraging Maroon's North American footprint, broad product offering, operational infrastructure, and digital capabilities to better serve customers and suppliers alike. "This transaction is another example of our commitment to targeted aggressive growth, and we're thrilled to welcome the Holland Chemicals team to Maroon Group," added Terry Hill (pictured above), CEO of Maroon Group. "The business further strengthens

our presence in several core end-markets and geographies, and adds depth to our technical and formulary teams."

TOTAL DISTRIBUTION EXPANDS ITS NITRO, WEST VIRGINIA SITE

Total Distribution, Inc. (TDI) is expanding its Nitro, West Virginia hazardous materials facility to support growing demand for specialized storage in the Kanawha Valley area. Starting with site preparation by Stanley Miller Construction, construction began in 2019 on the additional 105,000 square foot hazardous materials-capable building adjacent to the existing Nitro facility. "We have long-term customers here in Nitro who have been using our services for over 30 years, and about half of the staff has been with the company for the entire time," said Doug Sibila, president and CEO of Peoples Services, Inc. "I couldn't be prouder of this team. With the current COVID-19 pandemic, this team was able to help the Dow Corporation switch manufacturing over to hand sanitizer and supply first responders in West Virginia. We received letters of thanks from Dow Corporation leaders, from Alex Mooney – a U.S. Congressional Representative for West Virginia – as

well as a letter from the City of Nitro, WV, all thanking us for our quick reaction and ability to be so flexible. We worked closely with our clients and organized deliveries to first responders with the National Guard. TDI would also like to thank Rick King, the warehouse manager at Nitro who will be retiring at the end of July, for 11 dedicated years to our company and to his team there," added Sibila. "He has been an invaluable member in the growth of this facility and for our company as a whole. TDI welcomes his replacement, Maurice Moreau, who comes to us with many years of experience." Peoples Services is one of only three warehouse companies that have earned the ACC Responsible Care Management Certification and the NACD Responsible Distribution® Affiliation.

NOURYON ANNOUNCES SUPERIOR MATERIALS TERRITORY EXPANSION

Superior Materials has announced that its territory for Nouryon's Bermocoll line of cellulose ethers has been expanded into the Southeastern United States covering Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama. The deal came into effect from July 1. Superior Materials has been distrib-

uting the Bermocoll line in the Mid-Atlantic, Northeast, Midwest, and New England regions since 2005.

COATEX AND OMYA AGREE TO A NEW DISTRIBUTION DEAL

Omya, a producer of industrial minerals and a worldwide distributor of specialty chemicals, has agreed to a new agreement with Coatex Asia Pacific Inc. as its official distributor for coatings, adhesives, and sealants product range. Since July 15, Omya has been serving new and existing customers in Australia and New Zealand. "This is a valued partnership with joint commitment to providing our customers with exceptional service of quality materials," said James Liu, managing director of Coatex Asia Pacific Inc. Coatex relies on Omya's technical assistance and analytical service capabilities worldwide that include a regional Technology Center in Singapore, to grow its business. "For Omya, this appointment is an important expansion of the strategic partnership between Omya and Coatex and will further grow the reach for both Coatex and Omya in the Australia and New Zealand markets. We are very excited about this new development," added Sander Herden, director of distribution services, Asia-Pacific at Omya.

VAN HORN, METZ CELEBRATES 70 YEARS OF SUCCESS

Specialty raw materials distributor and long-standing NACD member, Van Horn, Metz (VHM) is celebrating its 70th anniversary this year, having started from an office and warehouse in Philadelphia.

Harold Van Horn and Donald Metz incorporated VHM in 1950, the two entrepreneurs forming a partnership in 1948 and hiring Douglas Everett, a salesman who later became president. During World War II, Metz and Van Horn were formulating camouflage paint for the U.S. government, and collaborated on several projects for the military.

From the beginning, they focused on creating solutions for customers in paints, coatings, plastics, adhesives, rubber/elastomers, inks, and other specialty markets.

In 1960, VHM established a headquarters in Conshohocken, PA, with an adjoining

warehouse, and shortly thereafter added a warehouse in Pittsburgh. After Everett's untimely death, Jack Boorman became president. He is father of current executive vice-president, Brian Boorman.

Morgan Smith assumed the role of president upon Jack Boorman's retirement. During his tenure, the company's customer base was expanded from Maine to Florida and the Midwest. VHM acquired Seaboard Sales during this time. Barrett "Barry" Fisher became VHM's fifth president in 2010 and led the acquisition of the Thornley, Impact and Horizon Companies.

The Thornley acquisition expanded VHM into additional industrial markets and provided a new portfolio of products for personal care and color cosmetic applications. Under Fisher's leadership, the company continues to serve a



strong customer base, located across North America, the Caribbean, Europe, and Asia. In 2016, VHM expanded to Canada adding a Toronto office. Van Horn, Metz now provides local warehouse capabilities across 12 facilities.

UNIVAR SOLUTIONS SEALS BIOCIDES DEAL — AND ADDS TO ITS TEAM

Univar Solutions Inc., has reached an agreement with Vink Chemicals to distribute a portfolio of biocides in Brazil. The new authorization from Vink, a specialty biocide and biocidal products producer, includes brands appropriate for a wide variety of industries such as homecare and industrial cleaning, energy, and performance chemicals as well as coatings, adhesives, sealants, and elastomers. Vink develops and formulates individual biocides used in diverse industrial applications to preserve products, prevent the growth and the dispersion of dangerous germs as well as protect building surfaces and materials against damage from microorganisms. Univar Solutions will now supply Brazil with Vink's Vinkocide®, Parmetol®, Grotanol®, Grotan®, Grotamar®, and Stabikor® brands. Applications range from in-can and film preservation of paints and varnishes, to use in water treatment, coolants, construction chemicals, detergents, cleaners, and disinfectants for the polymer industry.



Meanwhile, Univar Solutions has also appointed Matthew Ottaway (pictured above) as senior vice president, global beauty care and nutrition. The news comes after the company announced the combination of its 14 end markets to five macro categories including consumer solutions, general industrial, services & other markets, industrial specialties, and refining & chemical processing. Ottaway will be responsible for the continued expansion and growth of its food ingredients, beauty, and personal care business, as well as the globalization of the nutraceuticals business currently operating in Canada.

HYDRITE CHEMICAL CO. MOVING HEADQUARTERS TO NEW BROOKFIELD SITE

Hydrite Chemical Co. has announced plans to move its headquarters to Golf Parkway Corporate Center, located within The Corridor, along Interstate 94 and just off Bluemound and Calhoun Roads, in the city of Brookfield. The company will fully occupy a two-story office building, consisting of approximately 45,000 square feet, increasing its space occupancy in Brookfield from 26,000 square feet at its current location. Hydrite's new corporate headquarters is designed with future growth in mind. Kahler Slater will serve as the project architect and CG Schmidt will be the general contractor.

PALMER HOLLAND DEAL WITH DRT TO SELL LUBES IN CANADA AND THE U.S.

Effective June 11, 2020, Palmer Holland, a North American specialty chemical and fine ingredient distributor, has reached an exclusive agreement with DRT to sell its Tall Oil Fatty Acid (TOFA) and Distilled Tall Oil (DTO) product lines in the U.S.

and Canada. Palmer Holland is responsible for the promotion and inventory management of DRT's Resinoline product line. Resinoline products are fatty acids used in metalworking fluids and flotation applications where they serve as components in emulsifier systems. They can also be used in the manufacturing of esters.

SACONIX LLC SECURES EXCLUSIVE MARKETING RIGHTS TO DOVER'S HCl

Saconix LLC has secured an exclusive multi-year marketing agreement for hydrochloric acid (HCl) produced by Dover Chemical Corporation at its facility in Dover, OH. Dover creates HCl from the production streams of its chlorinated alkanes. HCl has been produced at this location for over 50 years. The HCl is produced by Dover in multiple grades which can be transported directly from the plant, in tank trucks or rail cars. Saconix will distribute HCl in the Ohio Valley Region to customers in various industries including steel mills, oil and gas drilling, water treatment, and broadly to general chemical producers.

IN MEMORIAM

PATRICK MARANTETTE

■ Patrick Marantette, known fondly as Pat, passed away on March 5, 2020. Pat was a driving force in shaping the reputation and culture of the industry-leading specialty distribution organization formerly known as HORN. He advised and inspired the next generation of leaders as director and board member of HORN until his retirement and the company's acquisition by IMCD. He dedicated 43 years at HORN, but his reputation and leadership extended far beyond his influence at the company.

Because of his service and visionary leadership in the chemical distribution industry, NACD presented the organization's esteemed Lifetime Achievement Award to Pat in 2018, shortly after his retirement. He was an early and active member of the association, leading and serving seven committees for more than 20 years, culminating as chairman of the board of directors from 2001 to 2002. He held a prominent role in supporting the industry and was a staunch

advocate for NACD Responsible Distribution®, the association's third-party-verified environmental, health, safety, and security program.

Under his leadership, HORN was named Distributor of the Year by NACD in 2002. Serving as the Chemical Educational Foundation (CEF) board of trustees president from 2003-2005, Pat also went on to attain the prestigious Vanguard Award for service from CEF.

Outside of his business accolades, Pat played a significant role in the development of CEF's You Be The Chemist® Challenge in California – an interactive academic contest that encourages students in grades 5-8 to explore chemistry and its real world applications. He and his wife, Linda, also regularly volunteered their time to serve the elderly and poor.

Pat passed away in California, surrounded by his family. He is survived by his devoted wife, Linda; his children Jacqueline, Stephen, and Karin; and his nine grandchildren.





THE VIEW FROM WASHINGTON

ADVOCACY IN THE TIME OF COVID-19

Although minds are focused on the virus outbreak right now, there is plenty more going on

Doug Leigh & Jack Detiveaux
Washington DC

Judging by the rhetoric in this year's election cycle, you might conclude Congress is in bad shape. Toss in the emergence of a global pandemic that has severely harmed the U.S. economy and transformed our everyday lives, and you are probably ready for 2020 and the 116th Congress to call it a day.

However, a lot is going on behind the scenes in Washington, D.C. to support the nation's pandemic response and recovery, as well as maintain important government programs that impact chemical distributors.

While Congress has spent the better part of the first half of 2020 focusing on passing emergency packages and other legislation related to the COVID-19 pandemic, NACD has continued pursuing a long-term reauthorization of the U.S. Department of Homeland Security's (DHS) Chemical Facility Anti-Terrorism Standards (CFATS) program.

This important chemical security program that maintains nearly universal support among Members of Congress, DHS, and industry, identifies and regulates high-risk facilities to ensure these facilities have security measures in place to reduce the risk of certain hazardous chemicals being weaponized in a terror attack.

However, despite overwhelming consensus surrounding the usefulness and success of the CFATS program, leaders in Congress for many months were unable to coalesce around a comprehensive, long-term reauthorization.

The two factors primarily attributed to Congress' inability to come to a bipartisan agreement are differing philosophies concerning the future direction of the program toward either an environment and climate change

focus or continued strengthening of site security. The second issue has been an attempt by the current administration to transition CFATS to a voluntary chemical security program, which would undoubtedly leave a void open for a version of CFATS administered by the U.S. Environmental Protection Agency.

CFATS has narrowly avoided expiration several times over the last few years – as recently as a short-term extension in a COVID-19 emergency package – and once again, Congress has ran against the clock.

"A lot is going on behind the scenes to support the nation's pandemic response and recovery, as well as maintain important government programs that impact chemical distributors"

Without the expectation of a comprehensive, long-term reauthorization, NACD shifted our focus to securing the longest-term-possible clean extension of the CFATS program to provide certainty and keep the program.

Our efforts were rewarded in July when Congress passed a three-year extension of the CFATS program and President Trump signed it into law days before the program lapsed.

In addition to CFATS reauthorization, one of NACD's top targets for the remainder of this year's legislative calendar is the renewal of the Generalized System of Preferences (GSP) program. This program, one of the most prominent of the trade preferences programs, allows distributors to import some chemicals with low or no duties from developing nations.

With U.S. companies getting cheaper goods and developing nations getting an economic boost, it is

not surprising the program has been seen as preferable to costlier aid programs.

As with all reauthorizations and extensions, some Members of Congress are considering what changes, if any, they would want to make to the program. Talk surrounding possible changes to the program has focused primarily on revisions to eligibility – moving a country's requirements away from solely economic factors to perhaps political, social, and environmental factors as well.

As business groups (including NACD) have largely agreed to make extension rather than revision the top priority, much work lies ahead in ensuring the program is not allowed to end.

Should a lapse occur, and a period of duty resumption ensue, chemical distributors importing under the program may see a drop in liquidity during an already hard period in economic history.

While U.S. Customs and Border Protection would likely be able to rebate duties collected if the program restarts, it would be better to avoid economic hardships altogether.

Because of 2020's wide gaps in addressing normal legislative business, Congress is looking to make up for lost time working on appropriations, the National Defense Authorization Act, security, trade, and more.

NACD will need to work harder than ever to ensure key priorities get the attention befitting programs of their significance.

As we approach the election, we urge chemical distributors to stay engaged by using NACD's grassroots advocacy website, www.Chem-Reactions.com, to remind their representatives of the needs of their constituents.

The legislative affairs team is looking forward to a successful – albeit busy – legislative calendar to end what has been an all too eventful year. ■



Andy Brice London

It is probably fair to say this is quite unlike any previous presidential election year in history.

In the midst of the COVID crisis, everything appears to be moving at a slower pace than perhaps it should be. Far from the usual fanfare, it seems more of a false start than a race to the White House right now.

Yet despite this, NACD president and CEO Eric Byer has little doubt that things will quickly gather pace in the coming months, when the issues so important in the hearts and minds of NACD members will come to the fore.

GAINING MOMENTUM

"Right now, we're getting ready for the conventions but, for me, the election race really starts after Labor Day," says Byer. "COVID will be front and center of the campaign, along with social injustice and the economy."

"I think the economy being rekindled – possibly with some more relief efforts – and trade, are going to be the two biggest issues our members are going to be paying attention to," he says. "Businesses are now starting to come back online. There are some that have struggled but a number of our members have weathered COVID relatively well. Everyone just wants to know if there's going to be a second wave or if we can get everything back to a 'new normal'."

The chemical sector was recognized as essential critical infrastructure and allowed to continue operating throughout, but the lockdown has still caused severe disruption to supply chains across the nation, leaving businesses of all sizes and specialties counting the cost of lost sales.

Several months after the first cases of COVID hit the headlines, the effects continue to be felt. Facilities are running with skeleton crews, many employees are working remotely, orders are down, and future planning is being put on hold.

The reauthorization of the Chemical Facility Anti-Terrorism Standards (CFATS) program, along with trade agreements, transportation and infrastructure bills, and rail reform should have been the key battlegrounds for this election.



"Chemical distributors, want to know about economic growth, environmental issues, regulation, and foreign trade. They want social stability."

Randy Eppli
Chairman of NACD's Government
Advocacy Committee



COVID holds key to the White House

The coronavirus pandemic looks set to take center stage in the upcoming election campaigns, along with trade, tariffs, and the economy

Instead, says Randy Eppli, chairman of NACD's Government Advocacy Committee, attention will inevitably be turned to plans for the nation's road to recovery and how businesses will be supported on that journey.

"Before March of this year, I think policy and reg-

ulation would have been the key decision factors around who our members wanted to elect," suggests Eppli. "Those things may be back on the table in the next few months, but right now I think there is more concern about getting a sense of order back to society. They're focused on keeping their



Preparations for the election will gather pace in the coming months

businesses operating and making sure their people are paid, healthy, and safe through this period."

COVID has clearly been a shock to the system, touching every part of the country and affecting everyone's lives. Attitudes and opinions about how well it has been handled are constantly changing – which makes anticipating the outcome of the election even more impossible.

EVER-CHANGING SITUATION

"Early on, when people heard about the pandemic, I think there was an appreciation for the steps that were being implemented by the government, and that it was helping to quickly quell the exponential rise in cases. Then that appreciation morphed into people getting more disgruntled about the impact it was having on the economy," says Eppli.

"Chemical distributors, like most businesses, are after certainty so they can plan for the future. They want to know about economic growth, environmental issues, regulation, and foreign trade. They want social stability."

"Business leaders are starting to think about where to invest their capital and which new markets to look at. Who should they hire and how should

they invest in their people? Are they willing to think about investing in R&D? Right now, I think they're hesitant to do any of those things because they just don't know what tomorrow is going to bring."

Tax breaks, regulatory relief, and trade roll-backs are what companies are wanting to hear about from the candidates in the coming months, adds Byer.

"I think the single most important factor for the election will be how well the economy rebounds; that's what everybody is waiting for. A lot is hinging on the level of unemployment and whether the stock markets pick up. If there is a second wave, and more people are forced to stay home, or there is even more unemployment, I think it's going to be a tough election for the president."

BUSINESS SUPPORT

Of particular interest will be initiatives such as the Payroll Protection Program (PPP), with many companies having procured the PPP loans to help them through the crisis. Byer points out that the promise of possible legislation that forgives some of these could be really important to members.

Trade and tariffs will also be top of their agenda, particularly with the Generalized System of Preferences and Miscellaneous Tariff Bill having to be reauthorized before the end of the year. Both have proven extremely successful and important to the chemical industry, removing or reducing duties and tariffs, and therefore cutting costs for importers and manufacturers.

"This administration has been very good in terms of regulatory reform, with President Trump and his deregulation agenda," says Byer. "What we don't want to see are increased regulatory actions across the board from the U.S. Environmental Protection Agency, U.S. Department of Transportation, and the U.S. Department of Homeland Security. That would not be ideal for our members. There's also some frustration about the Section 301 tariffs on products from China, and if they are addressed, that will be very popular too."

With the campaign starting to gain momentum, NACD's advocacy efforts remain a top priority. Unfortunately, given all the current social distancing restrictions and closures on Capitol Hill, these have been a little constrained the past few months.



"I think the economy being rekindled... and trade are going to be the two biggest issues our members are going to be paying attention to"

Eric Byer
President and CEO, NACD

With the Hill entirely closed to visitors, Eppli says discussions have been largely relegated to phone calls. Only now are staff starting to get back to their offices, but it is still unclear when the situation will return to normal so meetings with policymakers can resume in person.

"Calling in to congressional offices and advocacy have just not been possible lately, so it's been quite a challenging time for us," says Eppli. "We had to cancel our Washington Fly-In that was supposed to take place in May, and all the Government Advocacy Committee meetings have had to be held virtually through video chats and conference calls."

Fortunately, he notes, many of these all-important relationships with lawmakers and staffers had already been formed and nurtured through previous Fly-In events, site visits, and facility tours, and this has made the process far easier.

"We all know that trying to make a cold sales call with a prospective customer you don't know is really hard. Well, that applies to legislators too," he says.

"When you already have that relationship, and there's a trust that has been built up over the years, it makes a real difference. Without that, we would not be able to progress things and get our issues across. It has meant we can contact elected officials and their staff directly, and they are happy to respond to our emails and talk to us on the phone."

ELECTION ANALYSIS

In the coming months, NACD will be running virtual fundraisers and is introducing a dedicated election analysis page on its website to highlight some of the important races in both the U.S. House of Representatives and the U.S. Senate. This will be regularly updated throughout the campaign season, says Byer.

"There are definitely some seats we'll be keeping our eyes on," he notes. "In my mind, a divided government is always the best kind because everyone has to work together in a bipartisan manner to get things done."

"If the Democrats retain the House and the Republicans run the Senate, that may be a much better recipe for chemical distribution moving forward. If the Republicans were to lose the Senate, then that could be somewhat challenging. I'm hopeful we can find some common ground where there's still a good mix of both parties so we can get things done."

"Most importantly, I think everybody would like to see the political bickering stop so our members can start getting down to doing the things that will help their bottom lines and allow them to do what their businesses need to do." ■

To stay up to date with the latest news and insight about the election, the candidates, and how their policies are likely to affect chemical distribution, visit www.nacd.com.

An executive decision

A sensible, robust business strategy is essential for success and survival – and that is never truer than when times are tough

Andy Brice London

With the dust settling, at least for now, after months of disruption and uncertainty, chemical distributors are mulling over the best approach to getting back to a semi-normal routine.

How should they adjust to these new ways of working? Can they keep their facilities and employees safe? What is the best way to recover lost sales and customers – and plan for the future?

Certainly, now is the perfect time to take a step back and look at the business from top to bottom to decide whether a change of mentality and fresh approach is necessary, says TJ O'Connor, president at Farmington Consulting Group.

An effective strategy requires careful planning, excellent execution, and a focused leadership, he says. But for a forward-thinking business, is it better to be bold or conservative?

"I think there's definitely a fine line. I don't think the right strategy is to completely pull back and stop all your expenses and cut your costs. You need to invest wisely and, obviously, this isn't the right time to take huge risks as we just don't know what the future is going to hold," he says. "What we have seen in previous recessions is that the companies that came out on the other side in the best position were the ones that invested in the right areas and weren't ultra conservative."

However, rather than a broad, scattergun approach, it is still important to spend strategically – selecting specific areas that are really important to the business and investing in those.

Not reacting quickly enough to a crisis, and keeping the status quo, could also be a recipe for failure, suggests O'Connor.

"Thinking that what you've always done in the past is still going to work, and being stubborn about adapting, can lose you market share," he insists. "When a customer base sees a certain change in the market, and they like that new way of doing things, you can really fall behind and be left by the wayside if your company does not shift to that way of working."

"Companies should always be looking three years ahead," he says. "They should look at what's immediately in front of them, the main growth opportunities, and what can be done to capitalize on those. Work out the main threats that could potentially hurt your business or stunt your

growth. These could be competitive threats, or they could be economic."

O'Connor points to the 2008 recession where many businesses were forced to stop trading because they were unable to react to the situation, or too stubborn to do so.

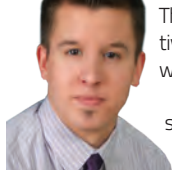
"In difficult times, the best companies become stronger because they feed off the weaknesses of their competitors. Successful companies are prepared and invest in technology and their people."

INCLUDE THE TEAM

Whatever the preferred plan of action, any decision-making process should involve your employees. In tough times, nurturing a strong team ethic and encouraging collaboration is vitally important, he insists.

"With what we're going through right now, leaders should communicate their plans to their employees. As there is a ton of uncertainty right now, people want to know what the future holds – and I don't think that leadership should sugar-coat things. Some keep things very close to their chests. But I would be very honest with my staff and say this is where we are, sales are down by X percent, and these are the steps we're going to take to address the situation. Be very open and explain why you're having to take certain measures, and how you're going to get through this together. Keeping everybody on the same page is very important."

Ask employees their opinions about what they see as the best and most effective ways of working, and what they want to see changed. Some, for example, will have enjoyed being out of the office and working from home, while others will be desperate to get back.



"In difficult times, the best companies become stronger because they feed off the weaknesses of their competitors"

TJ O'Connor
President, Farmington Consulting Group

They may offer a fresh perspective about how to make the working day more productive.

The chemical distribution sector is constantly evolving and the COVID pandemic has

only accelerated the pace of change, with everyone quickly having to adapt to the enforced lockdowns and social distancing.

"For several years now, I believe we've been going through a shift in the way business is conducted by distributors," says O'Connor. "There's become more of a reliance on e-commerce and online ordering, and less of an emphasis on the physical visits from an outside salesperson or an account manager – simply due to a new generation of buyers coming in. Those who have been in business for the last 30 years are now retiring and a new generation of buyers are taking over. They're wanting to do business a different way because of how they've been brought up."

O'Connor thinks there will therefore be far more of an emphasis on doing things virtually in future. Even when the virus passes, both employees and customers may still not feel comfortable with face-to-face interaction for some time. Instead of visiting a customer's site, sales calls will increasingly be held via Zoom or GoToMeeting, he suggests, with introductions made and deals agreed to through a screen rather than a handshake.

"There's a sea change that's happening in the distribution industry, with more and more business being done electronically. Distributors are going to have to show their agility and adjust their focus to react to the changing work environment."

A NEW APPROACH

We should also expect long-term changes to how businesses operate on a day-to-day basis, he suggests. Although this is a very traditional industry, with set ways of working and tried-and-tested procedures, COVID has proven that it is possible for teams to work remotely and for companies to be a little more flexible with their employees.

"I've seen a lot of pushback from ownership and management in the past about people working from home – but I think this has shown that if you've got the right people, from a strategic point of view, it can be advantageous. If people can work remotely, maybe you don't need to pay for such a large office space, for example. Also, it's going to attract people to work for you – especially the younger generation, as they really like that flexibility."

The challenge, he says, is how best to manage everyone if they are in many different locations. A good leader really needs to be creative to find



ways of keeping people engaged and working together, he says.

With teams stuck at home, some with reduced workloads, a particularly good use of their time is to schedule staff training to grow their skills and knowledge, for example.

People also seem far more receptive to participating in meetings than they were pre-COVID, suggests O'Connor. The current situation has made everyone more appreciative of that contact with peers, providing the chance to interact with teammates, collaborate, and make that physical distance less of a divide.

As a side benefit to business owners, he says, remote working also provides some valuable insight into how effectively members of the team adapt to new working practices, who performs best under pressure, and perhaps highlights who the real long-term assets to the company are.

This is also a great time for distributors to get a pulse of their customer base and to find out what their expectations are in this "new normal". Reaching out to clients to poll them about their expectations, wants, and needs will help position your business for the future.

"You don't want to be moving in the wrong direction," he says. "Find out what your customers are doing and what they expect. What can you do to help them?"

BE PREPARED

Another important question to consider is what happens in a few months' time if a second wave of COVID comes that is worse than the first? What if the economy has to shut down again? How will you and your business react to that?

"Nobody saw COVID coming, so this was a huge shock to everyone. But now that we've seen it, we

know we can work from home, that we can run with skeleton staff in the office, and reduce our inventories. We need to have plans in place in case this happens again."

Prepare for every possible scenario, he says. Set out the steps that should be taken if revenues take a turn for the worse, such as dropping 10%, 20%, or even 50%. From a cost-cutting perspective, consider which areas can be addressed – not only personnel but office expenses, logistics, and insurance. If you look hard enough, there are often ways to trim costs without necessarily letting someone go.

"I think it's important to plan and make those difficult decisions before they actually need to be made. If you get to the point where you're losing business and don't know what to do, your decision-making is not going to be as rational and strategic as it would be if you'd planned ahead." ■



The best leaders look for optimism, hope, and opportunity

In pursuit of resilience

Resilience empowers people to accept and adapt to situations, and move forward, says Becky Frederick, president of Workplace Strategy and ChemEdge speaker

Resilience is an important leadership topic any time, but it is imperative now – given the world in which we live and work. Globally, we are facing the ravages of a pandemic, the fears and uncertainty of the economic downturn, and the pain and suffering caused by racial and social disparities in our society. How do leaders cultivate and demonstrate resilience – personally, professionally, and organizationally?

Leaders must cultivate resilience in themselves in order to survive and thrive – and lead their organizations through extraordinary change. Leaders who have developed true resilience welcome change as an opportunity for learning and growth, and will demonstrate resilience in very tangible ways.

So, what is resilience and how can I demonstrate it as a leader?

First, we can start with the definition of resilience, and the meanings that surround this concept. The word resilience originates from the Latin verb *resilire* – “to jump back” or to “recoil.” The base of *resilire* is *salire* which means “to leap.” These concepts taken together describe what many of us think about when we define resilience – the capac-

ity to recover quickly from difficulties; the ability to become strong, healthy, or successful again after something happens; and the power to rebound and recover from hardship and move forward.

Resilience is a core value for high-performing leaders and requires consistent care and cultivation. There are a number of strategies that can help each of us become more resilient and in turn, support our teams and our organizations to be more resilient.

We are all dealing with myriad feelings during these crises – fear, concern, anxiety, frustration, anger, and uncertainty. Leaders must create space for themselves and others to acknowl-



“Resilient leaders have the ability to clearly see what has, and has not, worked in the past and apply that learning to the future”

Becky Frederick
President, Workplace Strategy

edge these feelings, especially now when there is limited social interaction in a work environment.

Strong, resilient leaders share their concerns with others building authentic relationships and acknowledging that they are exceedingly human. Asking for help, strengthening personal and professional relationships, and creating space for real conversations are tools that can be used by leaders to build their resilience and the resilience of others.

A CHANGE OF PERSPECTIVE

As the pressures continue to mount for businesses and employees – both internally and externally – leaders must lead by example, looking for optimism, hope, and opportunity in every situation. As a leader, do we check our attitudes, our language, our conversations for hidden negativity or fear? Do we routinely “flip” a conversation to what we can do versus what we cannot do?

What powerful stories do we tell that are inspirational to ourselves and those around us? As a leader, we spend a lot of time thinking about what we say to others, but what do we say to ourselves? Some of the tools that can be used by leaders to demonstrate and practice resilience include positive self-talk, storytelling that creates a picture of possibility, and demeanor that demonstrates confidence in the future.

This is a hard strategy for many leaders – both men and women – who find it difficult to talk about, much less practice, self-care and self-compassion. However, if leaders do not tend to their needs, how can they tend to the needs of others?

However, the practice of self-care is especially difficult as so many of us equate resilience with phrases like “get up to fight another day”, showing “grit”, and being “hardy” in the face of difficulties. True leadership, strength, and resilience comes from acknowledging and practicing kindness and care for ourselves – mentally, emotionally, and physically. We can take care of ourselves by reducing stress, being physically active, and doing the things we enjoy.

Resilient leaders have the ability to clearly see what has, and has not, worked in the past and apply that learning to the future. A resilient leader has the ability to communicate the opportunities for real change and to encourage their team to take a leap of faith with them. Leaders must create a safe place for everyone – including themselves – to make mistakes, and learn from those mistakes.

When a resilient leader sets a vision for the future, she or he can help others navigate the barriers and pitfalls to that vision. They can articulate how change can produce amazing results and are patient but persistent in their journey to the future. ■

Becky Frederick will be speaking during NACD’s virtual ChemEdge 2020 event, which runs from September 1-3, 2020.

Radical safety at work

Improve safety standards by adopting the right mindset and focusing on on-the-job peak performance, says Vince Poscente, founder of Radical Safety and ChemEdge speaker

Are your safety results where you want them to be? Conventional behavior will produce conventional results. Let's get radical on how we approach safety. First, instead of defaulting to the conventional safety-leader approach, "What actions lead to better results?" – let's uncover "What mindset leads to those actions and results?" We humans follow the cognitive sequence of:

- Processing information through your own, personal filter of beliefs, attitudes, and truths.
- Interpreting that information as a judgement.
- Judgement leads to action (or inaction).
- An end result (either positive or negative).
- The result aligns with existing beliefs, attitudes, and truths (known as a self-determined prophecy).

A hypothetical example:

- **Information:** You come across two young employees. One positions the forklift under a stack light hanging from the factory ceiling. The other person, without a harness, stands on a pallet, 14 feet high, to change a bulb.
- **Belief, attitude, or truth:** You strongly believe all young hires put convenience over safety and take shortcuts.
- **Judgment:** You interpret this as another example of a young person taking a shortcut.
- **Action:** You yell at them and correct their behavior – and grumble about the younger generation.
- **Results:** Later, you (unconsciously) set up a younger person to fail with a project at work. The result is discord. Progress is stalled. You confirm your self-determined prophecy.

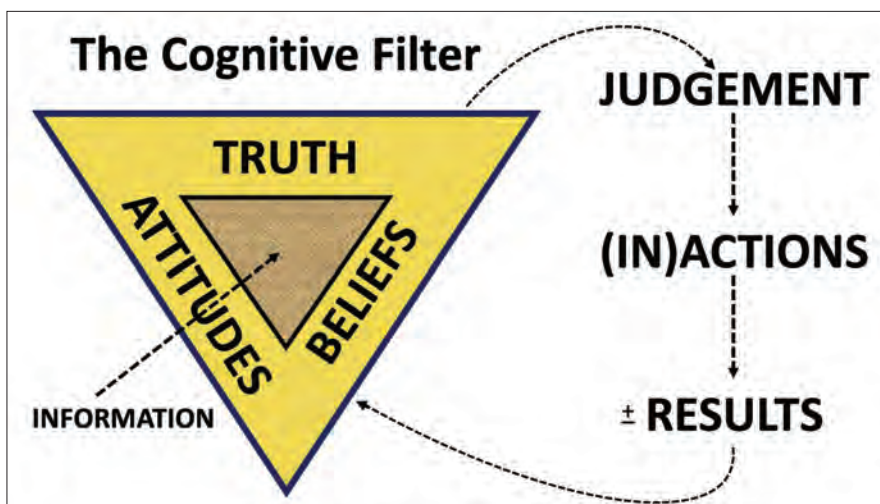
"Not me," you say. Here's the rub. The insidious nature of a negative perception is that most of your beliefs, attitudes, and truths occupy your subconscious mind. In other words, you and I are not conscious of most of your beliefs, attitudes, and truths. "Not true," you might push back. "I know what I know." But that is your conscious mind talking.

Consider research by Dr. Lee Pulos. In one second, your conscious mind processes with 2,000 neurons. In the same second, your sub-



"Conventional behavior will produce conventional results"

Vince Poscente
Founder of Radical Safety



conscious mind processes with four billion neurons. The ratio between the activity in your conscious versus subconscious is the exact same ratio between an ant and an elephant. Your ant is walking on the back of your elephant. Your conscious mind has little comprehension of the massive, underlying activity in the subconscious mind.

Take a guided tour through your subconscious truths by starting with results rather than action.

- **Define your desired results (100% safe outcomes from all young hires).**
- **What actions are required? (I help young hires put safety performance over shortcuts).**
- **What judgements will set up the best actions? (Young hires want to learn).**
- **Align your conscious and subconscious beliefs, attitudes, and truths. (I set up young hires to succeed with safety performance).**
- **What "information" input will help align a conscious and subconscious paradigm? (If they make a mistake or take a dangerous shortcut, we immediately revisit their safety education).**
- **Are your results in keeping with the beliefs, attitudes, and truths you have in the first place?**

Second, identify with the Radical Safety sequence of the five Cs. These five Cs define a radical shift from behavioral change to peak performance.

When you focus on simple behavioral change, you have a conventional approach. When you flip to peak performance, you're not pushing behavioral

change. You're maximizing the powerful draw of peak performance, much like an Olympic athlete.

- **Clarity:** Each employee has an "emotional buzz" attached to the ultimate, personal outcome they seek. For example, spending time at the lake with their family.
- **Commitment:** Signing off on safety training is not enough. Commitment is a process of re-upping every second of the day. Employees dedicated to peak performance don't have to be reminded by leaders to stay committed.
- **Consistency:** A philosophy of "Do what the competition is not willing to do" crosses over into the safety space. Peak performers collaborate, communicate, and are curiously creative.
- **Confidence:** The process of confidence involves a consistent pivot onto the clarity you have in the first place.
- **Control:** You can't completely control the environment you're working in, but you can control the peak performance routines you bring to the workplace.

To establish a world-class safety culture, first target the safety mindset in a way that is personal to each individual at work. Second, shift from behavioral change to on-the-job peak performance. Go from conventional safety to radical safety. ■

Vince Poscente is speaking at NACD's virtual ChemEdge 2020 event, from September 1-3, 2020

Elaine Burridge London

Inventory management can be a manager's worst nightmare. The system is a crucial component of a business's operations, and of course its profitability, but too often it can be a curse when it goes wrong.

In theory, keeping a record of products in, products out, and what's left in the warehouse should not be that hard to do. But, add in the reality of price volatility, shifting market trends, changing customer demand, and logistics problems among others, it is easy to see a nightmarish picture emerging.

And there is always the conundrum of how much stock to store. Keep too little inventory and a company is unable to have enough availability to meet customers' expectations, which could drive them to a competitor. Keep too much, and this ends up being a cost on the company and ties up cash flow.

The optimum would obviously be somewhere in the middle of these two extremes, but it involves planning and an efficient management process.

Process is very important for controlling inventory, says Jared Stadlin, chief operating officer of Linden Warehouse and Distribution Company. In his view, effective inventory management is predicated on visibility and traceability – in other words, the inclusion of robust process auditing and physical inspection backed up by electronic tools.

A DIGITAL SOLUTION

Linden operates an electronic warehouse management system (WMS) that details products at stock-keeping unit (SKU) level. For distributors of chemical products, that is often traceable against a code, lot, or batch number, and then by the packaging contents, weight, and quantity. Most of Linden's customers operate an enterprise resource planning (ERP) system, and Stadlin recommends that at the end of every month, they do a book-to-book comparison between both companies' systems.

The first sign of a discrepancy will show up in that balance. If inventory control has been done well, the books will balance, he says.

While an automated system can often be regarded as fool-proof, it is worth noting that the record-keeping is only as good as its procedure dictates. A key part of the process is inspecting the material and subsequently recording it promptly on arrival (or departure) into the WMS and ERP systems. In addition, a good process will have multiple checks along the way. Visual checks are part of this and Linden's customers will visit its warehouses in Linden or Edison, New Jersey, to do just that, and for many that will also include a third-party audit.

In essence, the whole procedure could be perceived as being relatively straight forward. That was until COVID-19 gripped the world earlier this year, playing havoc with both people's business and personal lives.



Keeping control of inventory in a crisis

Balancing inventory requires robust processes and good communication. However, the outbreak of coronavirus has tested the most resilient of stock-keeping practices

For a time, Linden had to stop all external visits. However, its warehouses are now accepting visitors for inventory control inspections under strict enforcement of certain requirements, including completion of necessary forms and checklists, a temperature check, and the wearing of a face

mask. Nevertheless, Stadlin says the company has tried to reschedule many physical inventory checks and focus on those accounts that are checked by Linden's staff on behalf of end-customers.

Before the onset of coronavirus, many firms were running lean, just-in-time (JIT) inventories,



REX/Shutterstock

Keeping track of product is vitally important – particularly during a pandemic

which require a robust and uninterrupted supply chain. With manufacturing shutdowns, empty ships, and little or no availability of some products, the pandemic could affect the way companies manage their inventories in the future, says Stadlin. This could include the possibility that inventory levels and safety stocks will increase, customers may look for redundancies in their supply chains, and manufacturers will reshore their operations.

Ed Kort, president of KIC Chemicals, a distributor headquartered in New Paltz, New York, concedes that his firm is a “little conservative” on inventory. In other words, KIC Chemicals holds more in stock than perhaps some others do, so it can ensure there is sufficient availability for customers.

FULLY STOCKED

This ethos has no doubt helped during the pandemic, when Kort says some of its customers were panicking and wanting product “right now”.

“We had to slow people down, and those customers that did not have contracts and were in a bind, we tried to help where we could,” he says.

Much of KIC Chemicals’ range is sourced from southeast Asia, where there were a lot of plant

shutdowns during the coronavirus crisis. Added to that was the change in China’s purchasing pattern, which also affected those of the distributor’s suppliers that export to China. “It threw things into disarray. Deliveries were delayed, demand increased for some products, especially raw materials for sanitizers, and prices spiked,” Kort remembers, adding at the same time, that fortunately KIC Chemicals’ own suppliers were still managing to deliver, albeit very late.

SPREADING THE RISK

In more normal times, Kort says his company’s diversification in relation to both customers and suppliers is a benefit for controlling inventory. He says his nightmare scenarios are centered on stocking product for just the one customer that stops buying for any reason, leaving KIC Chemicals to scramble to find other outlets for its inventory, or having a sole source that suddenly becomes unavailable.

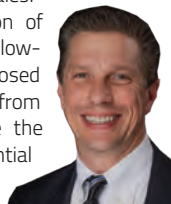
“For products where we buy from a wide variety of vendors and customers, those are the easiest to manage,” he says. “If one company stops or slows down production, then that diversification helps us in terms of products and the market, both on the customer and supply side.”

For Matthew Howle, director of supply chain at Acme-Hardesty based in Blue Bell, Pennsylvania, inventory management is both “scary and my worst nightmare”. On a normal, day-to-day basis, the distributor imports roughly 95% of its product range from southeast Asia, India, the Mediterranean, and South America, which it supplies to customers throughout the U.S.

The company is one of the largest distributors of castor oils and derivatives, palm derivatives, preservatives, and surfactants, also offering a range of renewable palm-based glycerine, fatty acids, and fatty alcohols.

It uses an ERP system to manage its inventory of products, which are subject to long lead times of between 12–16 weeks. Half of Acme-Hardesty’s inventory is assigned to contract customers, which have reserved their volumes in advance, with the other half for spot sales.

Howle says his definition of normal ended on March 6, following which the distributor closed its offices with staff working from home indefinitely. Because the distributor supplies essential goods, such as the raw ma-



“If has forced us to be better, to pay attention to detail, and think through what a business is doing for its customers”

Matthew Howle
Director of supply chain, Acme-Hardesty

terials glycerine and fatty acids for sanitizers and soaps, he says customers that it had not heard from in five years suddenly got in touch.

“We have large stocks and people wanted to buy all of it within the first two weeks [of the pandemic]. Demand increased four- to six-fold in the sanitizer market, and we also got calls from vodka manufacturers that had switched production,” he says.

As a consequence, the company’s role of demand-planner changed to that of head allocator for seven of its major chemistries, which it termed the “Pandemic Seven” – basically those products that the U.S. government had classed as essential. Howle explains that the head allocator would give a lot number to a customer, which had a set number of days to accept that allocation.

At the time of writing in late June, Howle was expecting many products to remain on allocation through July, partly a consequence of the long lead times and partly because of the surge in demand. While some products were starting to come off allocation, others had joined the Pandemic Seven list because of logistics problems linked to COVID-19.

In the main, the logistics problems were related to paperwork rather than a lack of transportation. Howle says ports were open and he was able to secure trucks, but faxes had stopped and customs paperwork was backed up. However, the situation was showing signs of improvement in late June with departures resuming from overseas ports.

IMPOSSIBLE TO PREDICT

In the meantime, adds Howle, coronavirus has “destroyed” its computer models, which certainly had not included a pandemic as a factor in its inventory planning. No doubt this will change going forward.

For the moment, Acme-Hardesty has taken the approach of helping its big and loyal customers prepare for the possibility of a second wave of infections by agreeing to keep inventory for them if they commit to a fixed volume. Hopefully though, says Howle, we will see a steadier situation in the third and fourth quarters of the year.

Howle’s key message for anybody involved in stock control is communication. “Yes, the computer will make a recommendation, but it is the communication between sales and inventory management that allows me to override that. It is a critical element,” he says, adding that COVID-19 has been an “interesting test of our business”.

He goes on: “It has forced us to be better, to pay attention to detail, and think through what a business is doing for its customers. Our customers will be in a better position in the long run because of it.”

Overall, when performed efficiently with robust procedures and the ability to respond quickly, inventory management can actually turn out to be more of a dream than a nightmare – for the customers at least. ■



More measures are needed to address driver safety and fatigue

New HOS rules add flexibility

Revised Hours-of-Service rules for truck drivers should bring some much-needed flexibility, and also enhance safety

Elaine Burrigde London

The Hours-of-Service (HOS) rules for truckers have been overhauled and are set to take effect on September 29, 2020.

The rules, originally enacted around 1935 as the nation's trucking industry began to emerge, were designed to enforce rest periods for drivers to protect them from overly demanding employers. Certainly, at that time when few rules were in place, driver fatigue and its impact on road safety was not known nor recognized.

Little has changed in the past 85 years, barring a few tweaks to the rules here and there, with critics saying little has been done to address the problem of safety, specifically with regard to driver fatigue and truck crashes. If anything, some experts believe the various



"Smooth and predictable scheduling gives workers time to prepare safely for tasks and stick to procedure"

Tom O'Donnell

Vice president, operations, Callahan Chemical

HOS developments have actually increased driver fatigue and limited rest opportunities.

The U.S. Federal Motor Carrier Safety Administration (FMCSA) issued a major revision in 2003, but the rules became a "magnet for litigation", says NACD. Consequently, and in response to the lawsuits, FMCSA revised the rules again in 2011.

But the mandated use of electronic logging devices (ELDs) in recent years served to illustrate just how restrictive the 2011 HOS rules were. Numerous organizations petitioned for exemptions, such as relief from the 30-minute rest break requirement and expansion of the 12-hour limit for short-haul drivers, several of which the FMCSA granted. There were also bipartisan calls from Congress for more flexibility in the HOS regulations.

Fast forward to 2020, and NACD has welcomed the latest changes to the HOS rules as recently finalized by FMCSA. Jennifer Gibson, NACD's vice president, regulatory affairs, says the association is very supportive of the revisions, which provide drivers with much more flexibility.

For example, the updated short-haul exemption to 14 hours means that many drivers working within a limited radius may be able to go home at the end of the day, with trucks returning to their

base ready for loading for next-day deliveries.

In addition, the extra two-hour window during adverse weather conditions enhances safety by giving drivers more peace of mind to wait the conditions out, or to drive more slowly without worrying about exceeding the 11-hour and 14-hour limits.

Tom O'Donnell, vice president, operations at Callahan Chemical, views the HOS revisions favorably and is expecting positive effects on both its daily operations and the truck drivers themselves.

He explains that Callahan's delivery trucks operate mostly in the dense traffic and winter storms of the northeast U.S., so the new rule that extends the driving window from 11 to 13 hours under adverse conditions "should help us to get home safely when we're stuck at the end of the day in knotty traffic around New York City on certain occasions".

O'Donnell adds that while the company had previously dismissed the short-haul exemption as being "unworkable for us on any consistent basis", the extension to 14 hours with a 150 air-mile radius "embraces most of our delivery runs and might make things easier for us".

"Looking back at HOS changes since 2011, we have had to be a bit more conservative and more diligent about scheduling drivers with long, complicated runs. The new version will give us a little more room to work with," he comments, adding that HOS rule changes over the past several years have added a layer of complexity to fleet management.

"When things get out of joint, schedules can go haywire and cause disruptions that can degrade the safeguards that we would normally build into our schedules. Smooth and predictable scheduling gives workers time to prepare safely for tasks and stick to procedure," O'Donnell says. "Hopefully, the new HOS rules will help smooth out some of the scheduling kinks that shippers, receivers, and carriers have all put up with as the HOS rules have evolved." ■

FMCSA HOS REVISIONS

- Expands the short-haul exemption from 12 hours to 14 hours on duty and from 100 miles to 150 air-miles;
- Expands the 14-hour on-duty limit by up to 2 hours during adverse driving conditions;
- Requires a 30-minute break after 8 hours of driving time (instead of on-duty time) and allows an on-duty/not driving period to qualify as the required break;
- Modifies the sleeper-berth exception to allow drivers to split their required 10-hours off-duty into two periods: an 8/2 split, or a 7/3 split, with neither counting against the 14-hour driving window.

Make the most of data

Acquiring data is not hard for distributors, but managing and utilizing that information to be able to analyze your business is the challenge, according to Christine Griffith of Trinity Logistics

Chemical manufacturers and distributors collect and use a lot of data in their supply chain. They deal with data on their products, customers, transportation, storage, operations, and more. Taking advantage of a "Managed Services" solution can assist in better managing and using your data in your chemical supply chain.

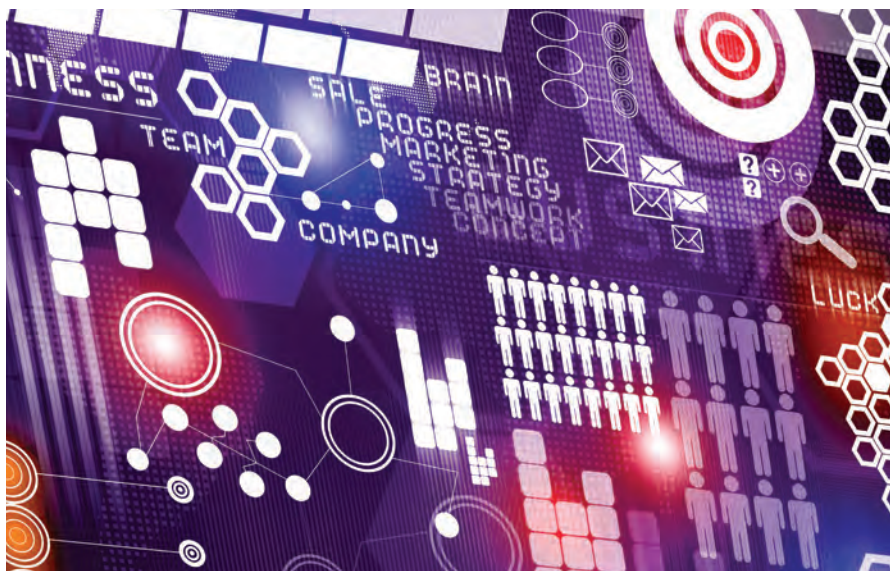
Managed Services is when you outsource your freight and logistics processes to a third-party logistics (3PL) provider. You can find ways to manage your data in one place using a 3PL's Transportation Management System (TMS). By better managing, using, and analyzing your data, an organization can reduce costs, improve margins, generate revenue, and make smarter business decisions.

A TMS can provide visibility into your supply chain data in many ways. Best-in-class TMS's can provide better insight into your logistics processes.

Executives can combine this improved visibility with robust reporting to help guide their decision making. You can also provide system access to your outside supply chain members such as suppliers, carriers, and vendors. Each partner can better plan for their part, having the potential to reduce expensive production costs, limit excessive accessorial charges, and improve customer service.

Freight spend visibility has many benefits. By analyzing freight spend by lane, companies can learn which of their lanes are not profitable based on transportation costs. Identifying company-wide shipment volumes and rates can provide you leverage when negotiating your carrier contracts.

Not all TMS's can generate the reporting you may need. Most generate basic reports that summarize your transportation information. Examples of basic reports include freight spend totals, shipment statuses, and shipment volume reports. But a best-in-class TMS can generate advanced reports that go into specific logistics met-



rics. Advanced reports can include accountability, analyzed freight spend, lane analysis, and carrier performance, to name a few. The reports should be dynamic so you can filter, summarize, or graph information based on what you want to see.

The above-mentioned should offer:

- **Accountability Reports:** Accountability reports offer companies the opportunity to hold core members of their supply chain accountable for controlling costs. For example, with carriers you can view costs of carriers used, late fees accrued, any unnecessary detention charges, and more.
- **Analyzed Freight Spend Reports:** Analyzed freight spend reports allow a company to track their freight spend based on parameters. Having the ability to track it in this way ensures that potential causes of lost profits are identified and addressed right away.
- **Lane Analysis Reports:** These reports analyze changes in rates by lane and predict trends in your freight costs. You can prepare for changes up front or try to prevent them altogether through carrier rate negotiations.
- **Carrier Performance Reports:** Carrier performance reports can help you identify which carriers are best meeting your transportation needs.

Reports are an important tool to find areas of successes and setbacks. Once identified, companies can take advantage of this information by adjusting their practices. They can find ways to create more successes and overcome setbacks. Yet, most companies do not have the technology

needed to analyze their processes in such a manner. Money is often wasted on unknown and unnecessary expenses.

When choosing to work with a best in class Managed Service, you should gain a relationship with a specialist that analyzes, produces, and presents actionable information that is easy to digest to help you understand what is working, what is not, and what can be done to further escalate your company's growth.

The importance of data does not revolve around how much data you have, but what you do with it. Managing and analyzing your data effectively is what will take your chemical company even farther. ■

TRINITY LOGISTICS

Trinity Logistics, a Burris Logistics Company, is a top 3PL providing truckload, less-than-truckload, warehousing, managed transportation, intermodal, expedited, and international freight management solutions for over 40 years. Ranked #18 on Transport Topics' Top Freight Brokerage Firms, Trinity services North America through locations in Delaware, Missouri, Minnesota, Florida, Texas, Maryland, Georgia, and Iowa, and 100 Independent Freight Agent offices. Visit www.trinitylogistics.com for details.



THANKS TO OUR PAC CONTRIBUTORS

The following individuals recently contributed to the Responsible Distribution PAC. Thanks for your support!

Kathy Brainerd
Brainerd Chemical Company, Inc.

Mathew Brainerd
Brainerd Chemical Company, Inc.

Robert Carroll
R.E. Carroll, Inc.

Dane Craig
Dakota Distributing, LP

Eric Egan
Americhem Sales Company

Jessica Fegan
Connection Chemical LP

Barrett Fisher
Van Horn, Metz & Co., Inc.

Mark Fisher
Univar Solutions

Megan Gluth-Bohan
TRInternational, Inc.

Benjamin Gutmann
Basstech International LLC

Roger Harris
Producers Chemical Company

Robert Namoff
Allied Universal Corporation

Timothy Nicholson
PVS Chemicals, Inc. - Distribution Group

Terry Podlogar
Chem One Ltd.

Anthony Ridnell
TRInternational, Inc.

*As of July 7, 2020

New members and Affiliates

NACD welcomes the following companies as members and Affiliates

Chemical Distributor Members

CHEMICAL INTERCHANGE COMPANY

2932 South Brentwood Blvd.
Saint Louis, MO 63144
Tel: (314) 962-9002
Primary Contact: Stephen Dallman, vice president
- general manager
Email: SMD@chemicalinterchange.com
Primary Code Coordinator: Amos Goldkamp

BULK SERVICE TRANSPORT, INC., DBA JAMES L. WILLIAMS

7405 S. Hayford Rd.
Cheney, WA 99004
Tel: (509) 623-4037
Primary Contact: Steven Ray Tucker, assistant vice president-compliance
Email: stucker@trans-system.com
Primary Code Coordinator: Steven Ray Tucker

Chemical Handler Affiliates

LESCHACO, INC.

15355 Vantage Pky West
Suite 240
Houston, TX 77032
Tel: (281) 590-2540
Primary Contact: Mark Malambri, president and CEO
Email: mmalambri@leschaco.com

Service Provider Affiliates

TRINITY LOGISTICS, INC.

50 Fallon Ave.
Seaford, DE 19973
Tel: (302) 536-2481
Primary Contact: Brad Lord, market research & sales support manager
Email: brad.lord@trinitylogistics.com



In the second quarter of 2020, NACD is pleased to announce the following members have passed the 7th cycle (2020-2022) onsite Responsible Distribution verification.

DISTRIBUTOR MEMBERS

- Chemisphere Corporation
- Essential Ingredients, Inc.
- Wilson Industrial Sales Co., Inc.
- Technical Products, Inc.

CHEMICAL HANDLER AFFILIATES

- HS Services, a division of IMCD US

* Due to COVID-19, some of our scheduled verifications have had to be postponed

A bumpy road ahead

Truckers have remained on the road during COVID-19 to help keep the economy running, but what does the future hold?

Jane Gibson London

The COVID-19 pandemic has sent the trucking industry on a rollercoaster ride in 2020. Government measures taken to control the outbreak reduced economic activity and consumers switched buying habits. Freight rates have dropped in many cases and volumes decreased, impacting the earning power of fleets large and small – but the latter have undoubtedly taken the greater hit.

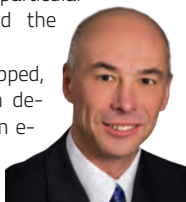
"Although the last two quarters of 2019 did soften, we were still expecting a phenomenal 2020 in terms of GDP growth," remarks Dan Murray, senior vice president at the American Transportation Research Institute (ATRI), "but then COVID showed up."

ATRI recently partnered with the Owner-Operator Independent Driver Association Foundation to carry out an industry survey on the impact the pandemic has had on trucking companies. Alongside this, GPS data was tracked to build a picture of trucking movement during the pandemic. Murray presented the results to NACD members at a recent webinar.

At the start of the pandemic, there was an increase in the movement of essential items such as perishable goods and medical devices. "When the stay-at-home order was issued, the public began to hoard," says Murray. "At this point, some trucks were idled but others were running 24/7. The hours-of-service requirements were set aside so that companies could act responsively, with amendments expanding the driving window for both short-haul and long-haul drivers."

However, housing starts, retail sales, and factory output collapsed in March, hitting contract trucking – spot business, in particular – which mostly impacted the smaller companies.

"When the hoarding stopped, there was a huge drop in demand for trucks aside from e-commerce and essential goods. Late April and early



"We were still expecting a phenomenal 2020 in terms of GDP growth, but then COVID showed up"

Dan Murray
Senior vice president, ATRI

May generally saw an improvement in movements, with the market turning a corner in June."

"One of the big exceptions, however, was petroleum movements, which were dead in the water. If people aren't driving, then they don't need gasoline. Inventories sky-rocketed." Petrochemicals and petroleum remain some of the slowest sectors to recover. On the upside, this has meant that fuel costs have decreased.

According to the survey, almost 70% of specialized and tank truck operations were negatively impacted during the crisis, with smaller fleets almost always reporting more negative effects than larger fleets.

The survey and tracking also revealed that:

- **Local journeys (less than 10 miles/trip) jumped from 7.8% to 18.2%, while long haul journeys (1000+ miles/trip) fell from 32.7% to 22.7%, as container imports at ports disappeared.**
- **87% of respondents said traffic congestion was reduced.**
- **44% reported truck parking as "somewhat harder" or "much harder" to find.**
- **34% reported longer detention times; more pronounced among smaller fleets (73% of respondents who reported longer detention times were from fleets of fewer than 50 trucks).**

Small businesses were hit much harder across the board than larger companies, says Murray. "Smaller fleets and lone drivers tend to pick up the sporadic routes and this business disappeared. They were playing the spot market and weren't involved heavily in the contract market."

While the industry viewed state and federal responses as positive, a worrying finding was that almost 80% of owner-operators and small fleets did not have a disaster recovery plan in place and were reacting to the crisis on a day to day basis.

"This is something that needs to be fixed," Murray remarks. "Let's work with the government and figure out the official response on a company and country level. We will need this for the future."

Some 32% of companies were forced to lay off or furlough employee drivers, or release independent contractor drivers. Out of the fleets that qualified, just under 80% applied for the Payroll Protection Program.

With U.S. full-year GDP expected to contract by 5%, according to U.S. ratings agency S&P, and many industry players expecting reduced vol-



This year has certainly not been in line with expectations

umes for the coming months, 2020 will be challenging for the whole industry, but especially for smaller companies.

Prior to the pandemic, the industry faced higher insurance costs and new government regulation, for example electronic logging devices, with economies of scale also impacting the smaller businesses. "If you don't help them, then up to 10-15% of capacity could be lost among the small guys in the future."

The main question Murray was asked at the NACD webinar was when things were likely to return to normal. Murray expects it will take a quarter to deplete stocks built up in the supply chain during the crisis, but believes that by the end of 2020, the economy will see better growth boosted by low interest rates stimulating consumer spending in housing and automotive markets.

"We are expecting the fourth quarter to look really, really good – although there are the unknowns of a potential new administration. 2021 will be phenomenal as there will be no institutional issues that could impact growth."

One thing is clear: the trucking industry will be better prepared for any second wave of the virus, but the smaller fleets will remain vulnerable. ■

Leading the way

NACD members were named among the top chemical distributors in the latest ICIS rankings. Here, leaders of Azelis Americas, Astro Chemicals, and Seeler Industries reflect on 2019 and the challenges they face post-COVID

Yana Palagacheva Sofia, Bulgaria

Looking back at the pre-COVID era of 2019, factors that identified a successful chemical distributor included high sales volumes, a well-positioned product portfolio, and a stronger customer base. Now, the current crisis has added some new criteria to that list – including resilience, a successful digital strategy, and even higher levels of safety in the workplace.

Azelis Americas, Astro Chemicals, and Seeler Industries all featured in the ICIS Top 100 Chemical Distributors list for 2019. While they clearly had a successful year, they are all now looking ahead at the challenges they face because of the coronavirus crisis.

Azelis Americas ranked fifth in the list of North American chemical distribution leaders, with over \$1bn in sales for 2019.

"We maintained our number one position in North America in specialty chemical and ingredients [in 2019]," says Frank Bergonzi, CEO and president of Azelis Americas. "We implemented our new business development strategy and expanded our business relationship with our key strategic suppliers."

The company separately continued expanding its reach in the Americas with new acquisitions in Canada and Mexico.

In May 2019, Azelis acquired Canadian distributor Chemroy. Headquartered in Brampton, Ontario, Chemroy provides warehousing across Canada and has offices in Laval, Quebec and Vancouver, British Columbia.

The acquisition of Mexican distributor Megafarma was closed in January 2020. Its headquarters is in Mexico City, with two additional fa-



"I do believe a distributor must have a digital strategy and presence in 'the new normal' "

Frank Bergonzi
CEO and president, Azelis Americas

cilities in Guadalajara and Monterrey. Megafarma is the leading specialty chemicals and food ingredient distributor in Mexico.

Azelis was eighth in the overall ICIS list with global sales amounting to \$2.41bn for 2019. The distributor's portfolio includes thousands of specialty chemicals and food ingredients for a number of markets, including animal nutrition, food and health, personal care, and pharmaceuticals, among others.

Astro Chemicals, meanwhile, has sales totaling \$67m and took 50th place in the North American table. Based in Springfield, Massachusetts, the distributor stocks a full line of organic and inorganic chemicals for applications including alcohols, aromatics, aliphatics, ketones, acids, and alkalis.

BUILDING FOR THE FUTURE

"Our recent past success has been due to our reinvestment in our business. We have expanded our footprint substantially," says Christopher Diamond, president of Astro Chemicals.

Astro Chemicals has undergone a substantial plant expansion, increasing its storage by 30% to bring its total warehouse space to 200,000 square feet.

The expansion project finished in 2015, and while the company has enjoyed a gradual growth in sales ever since, 2019 was the year Astro really reaped the rewards. "This investment has proven to be extremely accretive," Diamond adds.

The company now plans to build on that success by expanding its capacity by another 20,000 square feet in late 2020 or early next year, depending on potential restraints caused by the COVID-19 pandemic.

Seeler Industries is also going through a significant expansion, which started in 2018.

The company has been investing in one of its major products – peracetic acid (PAA), which serves as a sanitizer, sterilizer, and disinfectant.

"It is basically a COVID killer, so demand has been extremely good this year," says Steve Seeler, CEO.

The company has been manufacturing PAA for over 20 years, with its capacities recently increasing from 40 million to 60 million pounds.

Seeler Industries is investing further in PAA,



and has recently purchased a warehouse facility in Idaho, which will allow it to extend its geographical reach.

The company also remains focused on hydrogen peroxide, which has until recently been the biggest product in its portfolio. Hydrogen peroxide is used as an oxidizer, bleaching agent, and anti-septic, and has therefore also seen demand significantly increase during the current crisis.

Seeler Industries – ranked 77 in the North American listing – reported total sales of \$35m in 2019.

THE COVID CHALLENGE

Since the global pandemic started in March, communities and businesses have been adapting to an ever-changing environment.

Digitalization has been one particular trend that had to be quickly embraced, with nearly all communication taking place online.

"We still limit sales calls into our facilities and ask our salespeople to stay in touch with our customers by phone. We have Zoom calls on a daily or weekly basis for our operations, sales, and management meetings," Diamond says about



Astro Chemicals' strategy.

Azelis is among the distributors that have been developing digital tools to interact more efficiently with their customers and speed up their time to market.

"I am very proud of the Azelis team as we transitioned to a work-from-home environment seamlessly. And we are still in that mode," notes Bergonzi.

Strict social distancing and regular workplace disinfection also had to be applied by distributors, while recognizing that the essence of their work requires some human interaction.

"We are doing temperature checks, making sure that hand sanitizer is available



"Our industry will continue to do well as we adapt to ever changing demands"

Christopher Diamond
President, Astro Chemicals

to anyone who enters Seeler Industries, including all visitors. We do our best to provide opportunities to isolate at work," says Seeler, adding that some of his personnel are working remotely.

ON THE ROAD

The three leaders all acknowledge the critical role of truck drivers, and the importance of safety measures – such as minimizing interaction with others, and having sufficient supplies of masks, gloves, hand sanitizer, and sanitizing chemicals.

Chemical distributors have had to demonstrate high levels of resilience because of the drastic demand changes and logistical constraints.

Railway closures and truck shortages were among the factors causing distributors to increase their flexibility.

"We had to be more selective in the way we use trucks and prioritize what products to move where, depending on the situation," says Seeler.

With a lot of large industries shutting down because of the lockdown, demand for some products has fallen considerably, forcing chemical distributors to re-examine deliveries and storage volumes.

However, these lower sales have been offset by stronger consumption of products needed for cleaning agents and sanitizers.

"Our personal care and HI&I [Household, Industrial and Institutional] businesses are doing quite well," points out Bergonzi. "Also, we have seen decent performance from our pharma and food segments in Canada. Basically, the life sciences segments are performing far better than the industrial segments."

STILL CAUTIOUS

While chemical distributors have found ways to adjust to this unusual situation, they remain cautious of the ongoing pandemic, and the risks it brings.

"The uncertainty of COVID weighs heavily on our business, and we continue to worry about the future health of our employees," says Diamond.

Looking ahead, distributors acknowledge that crisis may bring about changes to the chemical industry, but are optimistic that the impact will be largely positive.

Digitalization of services is one such trend that is likely to be further developed by chemical distributors, insists Bergonzi.

"We are interfacing with our suppliers and customers via Microsoft Teams and Webex, and I do believe a distributor must have a digital strategy and presence in 'the new normal,'" he says.

One area that could potentially be negatively impacted, however, is a change in the current climate of lower taxation and regulation. But as legislation varies considerably in the different states, it is difficult to forecast the big picture effect of any such potential changes.

While it will certainly take some time for the economy to fully recover from the shock of the pandemic, some industries are likely to pick up as a result.

"I think there will be tremendous migration out of the big cities and a lot of new housing, which will increase demand for certain products," Diamond suggests. "Even if there is slowdown in some areas, other industries will pop up. Our industry will continue to do well as we adapt to ever changing demands."

Seeler agrees: "The chemical industry is one of the most adaptable industries as it touches every other industry out there – and can absorb, and help solve, many problems others are facing." ■



"The chemical industry is one of the most adaptable industries as it touches every other industry out there"

Steve Seeler
CEO, Seeler Industries



Sustainability should be an ongoing commitment

Time to accept responsibility

It is important to put sustainability at the top of your agenda and ensure it remains an ongoing commitment

Jason Jacobus Buckley Oil Co
Michael Lang NACD

There is already so much in the news about social, political, economic, and health issues that it may seem difficult to discuss and prioritize sustainability. However, now is the ideal time to focus on sustainability, which can connect these hot button topics both in our business and personal lives.

NACD is cognizant that many complexities cannot be examined or even summarized in a brief article like this for a diverse audience of many interested parties. Sustainability is a broad topic that includes, but is not limited to, environmental stewardship, which probably comes to people's mind foremost when they hear the word "sustainability". However, let's take a look at where sustainability actually starts: Corporate So-

"Our support is so critical for sustainability because we are part of an industry that touches so many aspects of the global community"

Megan Gluth-Bohan
CEO and owner of TRInternational, Inc.

cial Responsibility (CSR) and leadership.

It is often said "The buck stops here". But it needs to start here too. Through NACD Responsible Distribution®, we know that executive management creates a complex image of leadership that has many layers including those that help inspire, motivate, and encourage employees and even outside parties. The presidents and CEOs also lay a foundation of strong ethical business practices, treatment, and support of their employees and the workplace; hiring, retention, and training/education needs; and support of the community.

Megan Gluth-Bohan, CEO and owner of TRInternational, Inc. says, "Our support is so critical for sustainability because we are part of an industry that touches so many aspects of the global community. We must act in ways that honor our planet and our communities. Small acts make a larger impact. From enabling our employees to be of service to making investments in the growth of our workforce – these practices can make an impact."

Director of safety, compliance & sustainability for The Maroon Group, Scott Simmons, agrees.

"Corporate oversight is necessary. There is a need to invest in programs to make them both sustainable and robust. If you don't have executive level sup-

port, you will likely not achieve either of those things. You need someone to make the tough call and to sometimes say no, even if it means passing up an opportunity, when it is the right thing to do for Corporate Social Responsibility."

For example, Maroon Group supports their communities by compensating eligible employees for eight hours of community service per calendar year, which could include company or non-company-sponsored volunteering.

Take a look at one of the stated values from the clothing retailer Kohl's 2019 CSR Report:

"We act with integrity. We earn trust by living up to our commitments. We treat others with respect and fairness, and we make decisions that support the reputation of the organization."

Is this not the image that all of us want to portray? Both Gluth-Bohan and Simmons agree that it is important for NACD to encourage members to develop and refine their sustainability programs. CSR is a natural launch pad for this mission. It serves as a platform to talk about the great work member companies are doing in their communities to be good corporate citizens.

Brian Burns, Responsible Care manager and technology services director for WTS, Inc., an NACD Chemical Handler Affiliate, will be speaking more about sustainability at NACD's ChemEdge virtual conference, September 1-3. "It is important for NACD to encourage all members and Affiliates not to settle for the status quo and to seek to participate in and empower the circular economy so all of our stakeholders can reap the benefits," he notes.

So, let us not put any of these important tenets of your responsibility on the to-do list. Start now. Sustainability must be driven from the top.

To be clear, sustainability is not an initiative; it is an ongoing commitment to consider the long-term impact of our daily decisions. It should serve as a daily reminder that our judgment and actions may start out as a ripple in the pond, but as it spreads, it can swell with the influence of other ripples to create waves. ■

PRIMARY SUSTAINABILITY PRINCIPLES

Although not an all-inclusive list, here are the five principles that are common among NACD's membership and Affiliate partners:

- Leadership
- Research
- Support
- Broadcast
- Transparency

This article is the first in a series of sustainability principles.

Insight Onsite

The role of Code Coordinator has become even more challenging during the pandemic. Responsible Distribution compliance is just as crucial, but now has a more “virtual” feel, says Brainerd Chemical’s Rebecca Osborne



Jane Gibson London

Rebecca Osborne has adapted to the new way of working as Code Coordinator at Brainerd Chemical. She has been at the company for 14 years, initially as a customer service representative, and oversees Responsible Distribution implementation at the company’s four sites: two in Oklahoma, one in North Carolina, and one in Illinois.

“It has been hard during the pandemic,” she says, “but we’ve been blessed with access to Zoom and Skype calls, and this has been beneficial. This way, we have been able to keep in regular weekly contact with our plant managers.”

The company had its first virtual audit for Safe Quality Food during the pandemic – the auditor using Skype to see the documentation while a branch manager was on site to escort them around the facility.

These uncertain times have shown just how well the plant managers are prepared for, and understand, the audit process, she notes. Responsible Distribution means that when Brainerd is audited on a different industry criterion, the company has already been brought up to a certain standard by the NACD verification.

EFFECTIVE TRAINING

“The site managers have been trained well. All of them have been through the Responsible Distribution training process through NACD U.”

Osborne sings the praises of the platform. “I like that there are modules for employees and for senior management. We make sure that all new hires go through the NACD training, and that the warehouse staff keep up-to-date on the modules.”

She adds that getting senior management support and involvement is key to the success of the program, and that NACD U helps enable that.

The company’s Responsible Distribution verifi-

cation will go ahead at the end of July/early August, with Osborne traveling to her local site in Tulsa to be physically present with the verifier. The plant managers will be available at other sites.

A CHALLENGING PROCESS

Like many Code Coordinators, Osborne finds the internal audit one of the most challenging codes. “We space out our own internal verifications for the codes throughout the year. This is beneficial because you can then always add something to the company’s continuous improvement program. We start in January, and then focus on the codes one at a time.”

Handling and Storage (Code IV) is always challenging, but Osborne is pleased with the system in place at Brainerd Chemical and how new products can be integrated into the warehouse safely.

“We have a segregation chart that is visible at all of the buildings. This would indicate where corrosive or combustible products need to be stored. It is essentially a map of the warehouses.”

Osborne says certain codes will show how companies have operated during the pandemic. Code I – Risk Management will highlight the COVID precautions carried out by the company – for example, taking the temperature of employees, wearing masks at the sites, and practicing safe social distancing.

HANDLING COVID

The Handling and Storage Code will also highlight COVID-related procedures.

“For us, there is no risk of contamination to the product itself. When goods are received, they are held separately until sampling has been carried out,” says Osborne.

Increased use of online communication while working from home has meant employees have had to stay aware of potential cyber threats, and

the company’s IT specialist has been keeping employees on their toes in terms of do’s and don’ts, feeding into Code XIII – Security.

The increased use of technology has also meant a switch to a more efficient and increasingly paperless verification, which has helped with waste minimization. “For our next verification, I think there will certainly be an ease of access in obtaining the documentation,” adds Osborne.

REVIEW PHASE

“Right now, we are in the review phase – making sure the rules are all being carried out. COVID means that there will be some codes that are harder to tick off, but we will implement some of the changes we have made in our risk management program during this time and add the Standard Operating Procedure to the program.”

Osborne is thankful Responsible Distribution has helped them avoid incidents and accidents. “You can see how improvements have been made with each cycle change. Any way to make an improvement to the way we operate is advantageous. Don’t be afraid to report near misses – they are opportunities for progress. I feel very valued in this role because of the positive changes that have taken place when implementing the program.” ■

NACD often highlights the efforts of its members and their positive contribution to the industry – and this is your chance to share your achievements, thoughts, and experiences. Each issue, this will be your forum. We want to hear about your experiences as a Code Coordinator. If you or one of your colleagues would like to be featured in the next edition of Chemical Distributor, please email **Matt McKinney at mmckinney@nacd.com**

CEF Community Partnerships

CEF's community partnerships create strong, sustainable relationships between schools and industry partners. Industry partners provide resources that schools need to offer *You Be The Chemist™* programming in their classrooms – for example, funding for educator training and resources for student science activities. CEF community partnerships impact schools that need it most – this year, **82% of participating schools received Title I funding.**



Gender of Student Populations*



*All FY20 Community Partnerships



60%

of students reported
"Meeting Scientists"
as the science activity they
were most excited about.

Demographics of Student Populations*



*All FY20 Community Partnerships



70%

of teachers reported they
needed more science
materials at the beginning of
the school year. Thanks to
Dow, all participating teachers
received the materials they
needed to facilitate 4 hands-
on science activities with their
students.



50%

of students reported they
were excited to participate in
group science activities.



75%

of teachers reported they wanted
more information on the subject
of science in the beginning of the
school year. The professional
development workshops
sponsored by Dow provided
teachers with the information they
needed to bring quality science
lessons to their classrooms.

Shaping the world by connecting markets to optimise global resources.

We connect data, markets and customers to
create a comprehensive, trusted view of global
commodities markets, empowering you
to make smarter decisions.



For more information on how you can get up-to-date prices and
analysis on over 180 chemicals **visit [ICIS.com](https://www.icis.com)**





Azelis expands its global presence into Latin America

Azelis is thrilled to announce the acquisition of Megafarma, Mexico's premier specialty distributor for the pharma, food and veterinary industries.

The addition of Megafarma into the Azelis global network strengthens our commitment to our valued principals and customers across Latin America, and is complementary to our strategy of sustainable organic growth. The transaction also creates a platform to build other market segments in Mexico, such as plastics, foam, CASE, personal care, and household & industrial cleaning.



Megafarma, headquartered in Mexico City, with offices in Guadalajara and Monterrey, represents some of the world's most renowned raw material producers and serves a large number of customers throughout all regions of Mexico.

**Innovation
through
formulation**

visit [azelis.com/americas](https://www.azelis.com/americas)
[megafarma.com.mx](https://www.megafarma.com.mx)

