

# CHEMICAL DISTRIBUTOR

Volume 43 | No 4  
October-December 2019

## Position yourself for success



### INSIDE THIS ISSUE

- A successful year for NACD
- Transportation is a hot topic
- Marijuana laws pose dilemma
- Weathering the storm
- Focused on efficiency
- Leaders of the future

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National Association of  
Chemical Distributors

## Connecting**Chemistry**

**“BEING A TRUSTED  
ADVISOR IS KEY FOR  
CONNECTING WITH  
MY CUSTOMERS.”**

**Aaron Booth**  
Account Executive Oil & Gas  
Brenntag Southwest, USA

### **I’m Connecting**Chemistry****

“Trust is a meaningful part of my everyday life – be it private or business related. As an Account Executive in the Oil & Gas industry at Brenntag Southwest in Texas, I stay close to our customers, even when it means travelling hundreds of miles through the vast Texas landscape. Meeting the customers in person is important to gain a complete understanding of their complex businesses. Only then am I – together with my team – able to earn their trust and gain the knowledge that is necessary to find the perfect individual solution for them. While connecting all of Brenntag’s capabilities and people, I try to act as a trusted advisor for both the customer and my team – always keeping in mind our common goal of a successful partnership.”

**Want to learn more about a job  
based on trust?**

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## Upcoming Events

For more details, go to [www.nacd.com/calendar/](http://www.nacd.com/calendar/)

### December 8-11, 2019

December Duke Financial Analysis for Non-Financial Leaders Program

### December 8-13, 2019

December Duke Leadership Program

### February 24-26, 2020

Southern Region Meeting, Westin Savannah Harbor Golf Resort & Spa, Savannah, GA

### March 10-12, 2020

Spring Regulatory and Responsible Distribution Workshops, Renaissance Long Beach, Long Beach, CA

### April 22-25, 2020

Western Region Meeting, Mauna Lani Bay Resort, Kohala Coast, HI

### May 5-7, 2020

Washington Fly-In, Capital Hilton, Washington DC

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## Welcome

### Plan ahead for success

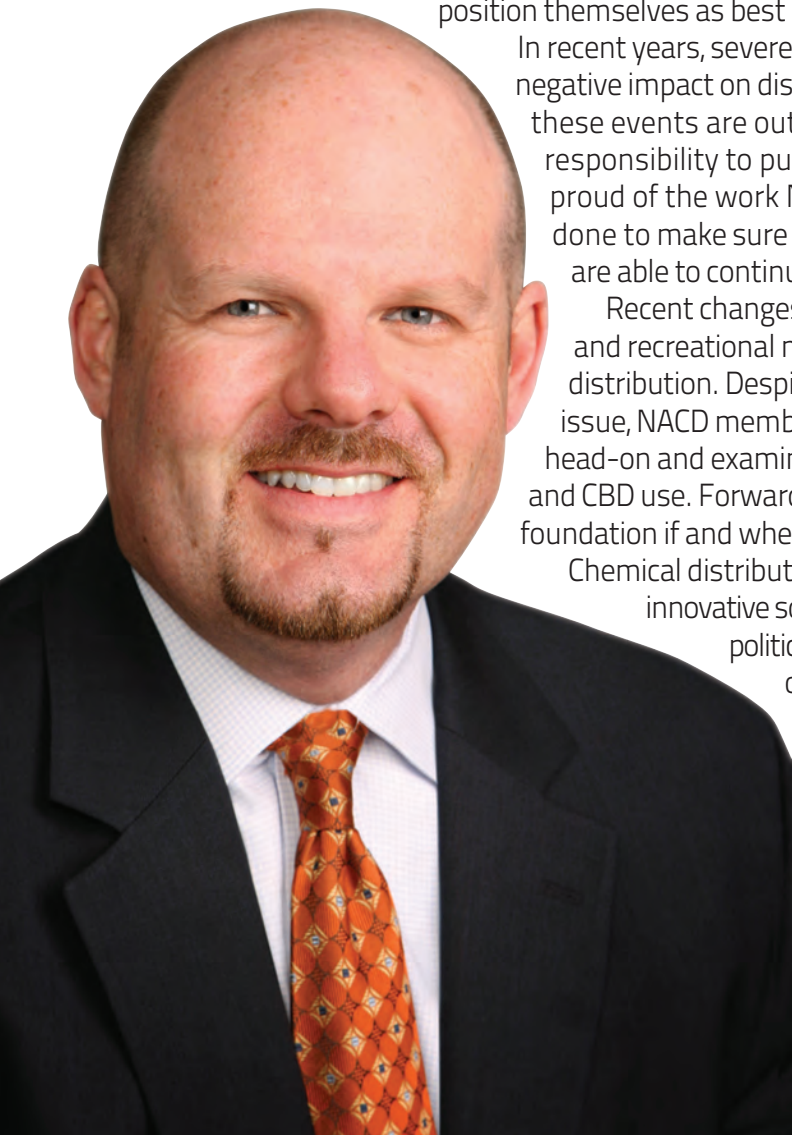
As 2019 draws to a close, it's easy to look back and see that the chemical distribution industry faced new challenges and opportunities this year. I'm pleased to say the economy is still in a sweet spot for continued growth, and our membership is taking advantage of that by investing in upgrades to their facilities and expanding into new markets. The regulatory landscape continues to be significantly better than in recent years. And despite the turmoil in Washington, we were able to achieve an extension of the Chemical Facility Anti-Terrorism Standards (CFATS) program through April 2020.

However, there are still potential stumbling blocks that business leaders should be well-prepared to address in 2020. Transportation concerns are always top of mind, from the truck driver shortage to rail rates and service to new maritime fuel regulations. NACD members should plan ahead to find solutions to these issues that position themselves as best in class for their suppliers and customers.

In recent years, severe weather events have also had a significant and negative impact on distribution, and 2019 was no exception. While these events are outside anyone's control, distributors have a responsibility to put preparedness and response plans in place. I'm proud of the work NACD members affected by these events have done to make sure their employees are safe and their businesses are able to continue to operate.

Recent changes at the state and local level regarding medical and recreational marijuana have also created some hurdles for distribution. Despite the complexity and need for clarity on this issue, NACD members are being proactive in facing this challenge head-on and examining their workplace policies around marijuana and CBD use. Forward-thinking distributors will be on a much better foundation if and when more states and localities change their laws.

Chemical distributors best positioned for success in 2020 will find innovative solutions to these challenges so that when the political and economic environment changes, they will be on solid footing to weather any storm.



**ERIC R. BYER**

President and CEO  
@ebyerNACD

## JENSEN-SOUDERS ANNOUNCES POGUE AS ITS NEW PRESIDENT

Jensen-Souders has promoted Katie Pogue to the position of president, replacing her father, Ron Souders, who is now chief executive officer. Pogue has 18 years of experience, having started her career in 2001 after graduating from Miami University with a bachelor's degree in business. She worked in sales for AT&T and Galderma Laboratories before joining the family business in 2012.



Pogue has succeeded her father as president at Jensen-Souders

## NEW TECHNICAL INNOVATION DIRECTOR APPOINTED BY AZELIS

Ron Rosenberg has been appointed as group technical innovation director at Azelis. This move, effective September 1, means Rosenberg will be responsible for implementing the group's vision and strategy regarding innovation, as well as providing guidelines and ensuring alignment on innovation priorities. He will also supervise and provide leadership to Azelis lab organization to foster and coordinate knowledge transfer and sharing of best practices. He will lead the optimization and harmonization of Azelis' 60 labs across the globe.

## NEW BRAND PROMISE REVEALED BY R.E. CARROLL INC.

New Jersey-based R.E. Carroll Inc. has unveiled its new brand promise to customers: Knowledgeable, Responsible, Trusted. The company is

pledging to provide all necessary information about products, make recommendations on their use, and how they best meet the needs of customers. It adds that, in addition to its ISO 9001 certification, it will maintain Responsible Distribution verification as an NACD member to ensure the safe handling, storage, and preparation of chemicals. The company also says it promises to remain a trusted and reliable resource for its customers.

## AIC ANNOUNCES MOVE TO NEW HEADQUARTERS

American International Chemical (AIC) has relocated its headquarters to 2000 West Park Drive, Suite 300, Westborough, MA 01581. It held a ribbon cutting ceremony on September 26 to officially open the new 15,000 square foot location. "AIC's relocation marks an important step in our growth strategy by providing the space to accommodate our growing staff and upgraded technology, along with improving our ability to service our specialty customers' needs," says AIC president Darren J. Birkelbach.

## POLYSCOPE SELECTS MAROON AS XIRAN DISTRIBUTOR IN US

Polyscope has appointed Maroon Group LLC as a U.S. distributor for its Xiran® styrene maleic anhydride copolymers (SMA) resins and aqueous solutions. Xiran® copolymers have a transparent appearance, high heat resistance, and high dimensional stability. Typical applications are adhesives, coatings, over print varnishes, and gypsum-based construction products, as well as a key building block for pigment dispersants. "Polyscope's broad SMA product offering immediately provides our CASE sales team with new solutions to offer our customer base," says Bill Nicholas, vice president of sales – CASE at Maroon Group.

## FLORIDA CHEMICAL SUPPLY ACQUIRES CHEMPAC OF TAMPA

Florida Chemical Supply, Inc. has acquired Chempac of Tampa – an

importer, distributor, and custom packager of specialty inorganic fluorides. Chempac supports a specialized range of customers to provide inorganic fluorides distribution and support to industrial markets throughout North America. Florida Chemical will rebrand its custom manufacturing operations under the Chempac tradename. The Chempac division of Florida Chemical specializes in production of customer chemistries, product development, complex emulsions, and processing/packaging of extremely hazardous substances.

## AZELIS EXPANDS TERRITORIES WITH BASF AND HUNTSMAN

Azelis Americas CASE, LLC is expanding its territory with BASF's Intermediates product line. Beginning October 15, Azelis Americas CASE will exclusively distribute PolyTHF®, 1,5 Pentanediol (PDO), 1,6 Hexanediol (HDO), and Capromer Poly-CLO® into the coatings, adhesives, sealants, elastomers (CASE) and plastics markets. Azelis will also provide complete formulation services, along with BASF Chemical Intermediates, to the customer base across the U.S. Azelis also entered into an agreement with Huntsman Advanced Materials (HAM) on October 1. It is now providing customers access to HAM products in the West Coast and Northeast, complementing its existing relationship in other regions. Azelis Americas CASE will distribute the Huntsman brands including ARALDITE®, ARADUR®, ARA® COOL, TACTIX®, KERIMID®, MATRIMID®, as well as HAM's full line of matting agents and accelerators.

## DSM COATING RESINS EXPANDS COVERAGE WITH LINTECH

DSM Coating Resins is expanding its relationship with Lintech International, LLC, and effective September 15 has become the Midwest and Southwest distributor for the coatings, paints, and printing and packaging markets. Lintech already represents DSM Coating Resins in the Eastern U.S. The product portfolio

includes DSM's NeoCryl, NeoRez, NeoPac, NeoRad, NeoRez, Uradil, Haloflex, and Uralac.

## MARYLAND CHEMICAL ANNOUNCES SEVERAL TEAM CHANGES

Maryland Chemical has promoted Patrick Gormley to vice president of business operations. Gormley was previously business manager and has been with the business since 2007. Terry Klugh, who was a sales manager, has also been promoted to vice president of sales. He has been with Maryland Chemical since 2004, when he joined as an account manager. The team has seen several other changes this year. Ralph Ridge joined the team as operations manager in the first quarter of 2019, while Ashley Huber was also promoted to customer solutions manager. Brian Menifee was hired as field service engineer, having previously worked in wastewater treatment as well as the chemical industry.

## MAROON SECURES AMSYN AND CAMBRIAN SOLUTIONS DEALS

Maroon Group LLC has acquired Amsyn, LLC, a national distributor of specialty chemicals to the coatings, lubricants, nutraceutical, pharmaceutical, and electronics industries. Amsyn's management team, led by Thomas Castrovinci, will continue to manage the business. Maroon has also announced that it has bought Cambrian Solutions Inc., a distributor of specialty ingredients and chemicals based in Oakville, Ontario, Canada. This significantly extends the company's North American footprint and capabilities. Cambrian Solutions offers a broad portfolio of specialty ingredients and chemicals to customers in the naturals and organics; food; household, industrial, and institutional; health ingredients; personal care; petroleum; pulp and paper; and industrial markets. Cambrian's leadership team will continue to actively manage the business on a day-to-day basis. Meanwhile, Maroon Group has further expanded its team with the addition of



## BRENNTAG NAMES KOHLPAINTNER AS ITS NEW CEO

The supervisory board of Brenntag AG has appointed Christian Kohlpaintner as the company's next CEO and member of the management board effective January 1, 2020. He succeeds the current CEO, Steven Holland, who has held the position for more than eight years. Over the last two decades, Kohlpaintner has held various management positions in leading international companies. He joins from Clariant International Ltd. where he was member of the executive committee. "With Christian Kohlpaintner we have been able to place as our new CEO an internationally experienced business leader with a proven track record," says Stefan Zuschke, chairman of the supervisory board. "He has demonstrated impressively that he can lead and develop major business divisions and companies successfully. It will be his mission to lead Brenntag to sustainable growth and expand the market leadership further. It will also be about breaking new ground while at the same time preserving the core of the successful business model."



Christian Kohlpaintner will become CEO on January 1, 2020

Thomas Papasso as its vice president, principal management –CASE.

### MICROCARE ANNOUNCES NEW ROLES IN ASIA...

MicroCare has expanded its MicroCare Asia team. Joe Ng has been promoted to a newly-established role of operations manager, MicroCare Asia. He has been with the company for four years, providing sales and logistical assistance to clients and prospective customers in Asia and the Pacific region. In his new position, Ng will oversee all operations including logistics, exporting, inside sales, and customer service. He is joined by Eric Lie as the Sticklers™ business manager for the Asia Region. Lie joins with around 25 years' experience in the fiber optics

industry and industrial sales. They will both be based at the MicroCare Asia headquarters in Singapore.

### ...AND LAUNCHES ONLINE GUIDE TO REPLACE TCE DEGREASERS

MicroCare Corp. has developed a dedicated webpage to help guide companies looking for greener and safer cleaning alternatives to trichloroethylene (TCE). The new webpage provides in-depth information on the potential hazards of TCE and how changes can be easily implemented into current cleaning processes. This is part of the company's goal to share its expertise on new high-performance cleaning fluids engineered to meet strict global environmental regulations.

### MICROCARE HOSTS PRESENTATIONS ON TERGO RANGE

MicroCare Corporation has showcased its growing portfolio of products at a series of technical symposiums. It attended SMTA Atlanta in September, with industry affiliates Indium Corporation and Weller. It included a presentation from MicroCare senior chemist, Emily Peck, on how electronics cleaning can be an important tool for enhancing PCB performance and reliability. The business also demonstrated its expanding range of "greener" cleaning products at SMTA International in

Rosemont, Illinois, and SMTA Guadalajara where the team discussed innovative chemistries which help improve the manufacturing process of electronic devices, including its Tergo™ High Performance Flux Remover. In October, MicroCare was at the SMTA New England Expo in Buxboro, MA, where Tom Tattersall, executive vice president and COO presented. Meanwhile, MicroCare Europe BVBA attended Parts2Clean in Stuttgart, Germany, showing sustainable cleaning products such as its Tergo™ Chlorine-Free Cleaning Fluid, which has been developed to clean without the use of harmful chemicals like nPB and TCE. It also recently attended Productronica in Munich, Germany, and was at at FABTECH in Chicago, where its Tergo™ Metal Cleaning Fluid (MCF) took center stage.

### SEELER INDUSTRIES HIRES RUSSELL OWINGS

Seeler Industries has added Russell Owings to its team as specialty chemicals manager. He will work across multiple business segments throughout the U.S. introducing Seeler products and services. Owings has experience working with specialty chemicals and antimicrobial intervention in the fruit & vegetable and meat & poultry industries. He has previously worked with The Vincit Group, BioSafe Systems, and Crimson Chemicals. His responsi-

ties include seeking new prospects, negotiating supply agreements, and maintaining customer satisfaction. Meanwhile, Jill Reese has been promoted to terminal manager of Seeler Industries and the 3 Rivers Terminal Division. Her responsibilities include all terminal and warehouse operations relating to blending, packaging, tank storage, warehousing, bag filling, transloading, dispatch, and facility shuttle services.

### COMPANIES ARE CONSOLIDATED TO BECOME RCNA

Effective August 1, Pacific Coast Chemicals, TH Hilsen, and TMC Materials have consolidated to become Ravago Chemicals North America (RCNA). The company says it now has the flexibility to service customers and suppliers both regionally or nationally while maximizing the speed and efficiency of a single brand. RCNA says this collective approach allows it to quickly understand and react to changing market dynamics while leveraging the strengths of the legacy channels across the company.

### TRIISO ANNOUNCES NEW DIRECTOR OF PRINCIPAL MANAGEMENT

TRIISO has named Mark McBee as the company's new director of principal management. McBee brings with him more than 30 years of ex-



Joe Ng is now MicroCare Asia operations manager

perience in the chemical industry. For the past year, he has been a sales manager for TRIISO. In this new role, he will work with the company's principal partners. Along with the sales, purchasing and logistics teams, he will coordinate efforts for the best possible experience for customers and principals.

## TERRA FIRMA LOOKS TO POTENTIAL OF PARTNERSHIPS

Terra Firma and StanChem Polymers have expanded their existing relationship. Terra Firma will become StanChem's exclusive distributor in the Northeast, Southeast, Southwest, and Midwest regions. StanChem is a supplier of high-performance emulsion polymers for the architectural, construction, adhesives, and industrial markets. Meanwhile, Terra Firma has also entered into a long-term agreement with Hudson Resources to market the company's Greenspar product line across all of its geographical coverage – Northeast, Southeast, Southwest, and Midwest U.S. GreenSpar is a form of the mineral anorthosite (aluminosilicate), a rare compositional variety of plagioclase feldspar.

## MICROCARE REVEALS RESULTS FROM CLEANING PROCESS STUDY

MicroCare Corp. is presenting findings from an ongoing study with the industry's leading flux and solder paste manufacturers, which examines the best cleaning solutions for specific flux and paste products. The results are being presented for the first time in Europe during Production in Germany from November 12–15. Partnering with companies including AIM, Alpha, Loctite, Indium, Koki, and Kester, the MicroCare Critical Cleaning Lab conducted controlled benchmark and automated vapor degreaser cleaning tests. These determined which MicroCare cleaning fluids work best on specific flux and solder paste materials.

## CHARKIT CHEMICAL ANNOUNCES PROMOTION

Charkit Chemical Company has promoted Panos Yannopoulos to execu-



**Yannopoulos has been promoted at Charkit Chemical**

utive vice president, sales. Since August 1, he has been responsible for leading Charkit's sales. Dan O'Neill, group vice president for personal care, and Terence Owens, group vice president for industrial, will report to him. Yannopoulos has over 30 years of experience and joined Charkit in 2002, following 13 years with Aceto, where he was group VP of industrial chemicals.

## AZELIS TO ACQUIRE TURKISH SPECIALTY CHEMICALS DISTRIBUTOR

Azelis has signed an agreement with Ak-taş Dış Ticaret A.Ş. (Aktaş) and individual shareholders to acquire 100 percent shares of Ekin Kimya, a Turkish specialty chemicals distributor for pharma chemicals, food ingredients, and lab chemicals. Headquartered in Istanbul, Ekin Kimya was founded in 1995 by Dr. Murat Çitiroğlu. He owns the company, along with Dr. Ekrem Ekinci and Aktaş, a distributor and trader of bulk petrochemicals. Ekin Kimya employs more than 70 people. In addition to Azelis' three laboratories in Turkey – personal care, home care, and food – Ekin Kimya has a modern pharmaceutical lab, which will help to further grow the business and its specialty positioning. Commenting on the deal, Anna Bertona, Azelis CEO and president, EMEA, says the pharmaceutical market in Turkey is very attractive from a distributor's perspective for a number of reasons. "Local production and consumption of pharmaceutical prod-

ucts have been steadily growing in Turkey; the Turkish government has been heavily investing in pharmaceutical as it wants the country to become a major pharmaceutical producer, exporter, and R&D hub; and Turkey, of course, is among the 20 largest economies in the world." She adds that Azelis Turkey has more than doubled its turnover in the last four years. "The acquisition of Ekin Kimya is a transformational one for us as Ekin Kimya has an excellent track record with its principals and an outstanding market connect, particularly in the pharmaceutical sector," says Bertona. "We are thrilled to welcome them on board and we are confident that this acquisition will open up many new exciting opportunities for us."

## CELLMARK CHEMICALS MOVES INTO PROMISING CANNABIDIOLS MARKET

CellMark Chemicals' AnMar unit has received a license from the state of Connecticut that allows it to conduct R&D aimed at developing hemp-derived cannabidiol (CBD) products for the cosmetic, personal care, and nutraceutical industries. Initially, it aims to produce pure, hemp-based, CBD isolates, distillates, and blends at its production facility in Bridgeport, CT, and later at its new facility in Naugatuck. These pure, hemp products will be non-GMO, pesticide-, herbicide-, and THC-free. There is a rapidly-growing market for CBD-based products for a wide range of commercial applications, from dietary supplements to pharmaceuticals and pet foods, although regulations vary from state-to-state and country-to-country.

## AIC ANNOUNCES NEW ORGANIC FOOD AND NUTRITION DEAL

AIC is now the North American distributor of organic rice protein, organic brown rice protein, and organic pumpkin seed protein, manufactured by Panjin Hetian Food Co., Ltd, located in Panjin City, China. The agreement includes the U.S., Canada, and Mexico. The Panjin Hetian products are manufactured in a BRC Certified facility, and

are USDA Organic Certified by IBD. "Adding these plant proteins to our growing specialty product portfolio allows us to cater to our growing customer base in the vegan and organic food/nutrition markets," says AIC president Darren J. Birkelbach. "We continue to see a rising trend in the demand for vegan proteins, as well as organic-certified food and nutrition ingredients. The addition of organic rice, brown rice, and pumpkin seed proteins to AIC's current plant protein product offering allows us to provide our customers these sought-after ingredients for their vegan, organic food, and nutritional product clients."

## TLC INGREDIENTS ANNOUNCES NEW APPOINTMENTS

TLC Ingredients, Inc. has welcomed Dale Hari as the company's director of finance and administration and Marybeth Murray to a new role of inside sales and marketing coordinator. Prior to joining TLC Ingredients, Hari was director of accounting at Follett Inc. and also worked at Office Max/Office Depot for 13 years across several senior finance and strategic planning roles. Murray comes to TLC from the Griffith Foods family of companies having worked at Custom Culinary and Innova Flavors. With over 25 years' experience in new business development primarily in the food industry, she will be interacting with customers and assisting with marketing campaigns.



**TLC Ingredients has appointed Dale Hari**





## THE VIEW FROM WASHINGTON



### FMCSA IS ON THE RIGHT TRACK

An active agency is looking to provide flexibility and address the ongoing driver shortage

**Jennifer Gibson** Washington DC

One agency that has bucked the trend of reduced rulemaking activity in the Trump administration is the U.S. Department of Transportation's (DOT) Federal Motor Carrier Safety Administration (FMCSA). This is actually good news for any company concerned about the driver shortage. Many of FMCSA's proposals are intended to make commercial truck driving more accessible and attractive for existing and prospective drivers and to promote technology to help address the driver shortage. Ray Martinez ably led these efforts as FMCSA administrator until he left the post in late October.

One of FMCSA's most ambitious and potentially impactful regulatory initiatives is its proposal to make the Driver Hours of Service (HOS) regulations more flexible while maintaining the existing high level of safety. The proposals, published in the *Federal Register* on August 22, include allowing drivers to satisfy the 30-minute rest break requirement while on-duty, not driving; expanding the short-haul exemption from 12 to 14 hours and 100 to 150 air-miles; increasing the allowance for adverse driving conditions; modifying the sleeper berth exception; and allowing a 30-minute to three-hour pause in the 14-hour driving window.

#### BENEFITING DISTRIBUTION

After collecting input from members, NACD spoke at a public listening session in Washington, D.C. and submitted written comments to FMCSA in support of the HOS proposals. The proposed changes to the 30-minute rest break requirement and the expansion of the short-haul exemption would be particularly beneficial for chemical distributors. Many distributors' drivers make multiple deliveries each day and spend substantial time at customer sites wait-

ing for product to be unloaded. If the rest break proposal is finalized, these drivers would be able to use this time to do paperwork or to relax onsite without being forced to take a separate break. NACD has also heard from many members that expanding the short-haul exemption from a 100 air-mile radius to a 150 air-mile radius would result in substantial cost savings and improved efficiencies.

Finalizing the HOS rule is a top priority for DOT; but, it will be at least several months before this happens. FMCSA must read and consider thousands of comments submitted and then draft the final rule. Then, it must go through the final review process at DOT and the White House Office of Management and Budget. NACD remains hopeful this will be an expedited process and that members will be able to benefit from the changes sooner rather than later.

**"Many of FMCSA's proposals are intended to make commercial truck driving more accessible and attractive for existing and prospective drivers"**

Another positive FMCSA proposal is a potential pilot program to allow drivers under the age of 21 to operate commercial motor vehicles (CMVs) in interstate commerce. Currently, individuals between the ages of 18 and 21 are allowed to drive in intrastate commerce only. Earlier this year, FMCSA sought input on the training, qualifications, driving limitations, and vehicle safety systems the agency should consider in developing options or approaches for a pilot program to allow these young people to drive CMVs across state lines. NACD submitted comments in support of the pilot. FMCSA has

already launched a pilot program for younger drivers who have served in the military. The agency's actions in this area are consistent with the DRIVE Safe Act in Congress, which would also allow younger individuals to drive in interstate commerce, subject to strict training and safety requirements. NACD supports these measures as they would help to address the ongoing driver shortage.

#### POSITIVE PROPOSALS

Also, earlier this year, FMCSA published two proposed rules to make it easier for driver applicants to take the commercial driver's license (CDL) knowledge tests.

One proposal would allow drivers to take the knowledge test in a state other than his or her state of domicile and require the home state to accept the results. Another proposal would allow third-party skills test examiners to administer the CDL skills test to applicants who also received their skills training from that examiner.

Finally, FMCSA and DOT are seeking input on ways to facilitate the safe introduction of CMVs equipped with automated vehicle systems (AVS) onto the nation's roadways. FMCSA is specifically seeking information on regulations that may need to be amended or eliminated to achieve this objective. While allowing the use of AVS when transporting hazardous materials would be a concern, adoption of these technologies for other areas of trucking could help to ease the driver shortage.

NACD is hopeful that FMCSA will remain committed to addressing the driver shortage and improving conditions for current drivers following the departure of Administrator Martinez. The agency has laid the groundwork for reforms that will have a positive impact on the industry when finalized and implemented. ■



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# A look back at 2019

Meeting the needs of the industry is not easy, but NACD has risen to the challenge

**Jane Gibson** London

It has been another busy year for NACD staff and members, with many challenges in an ever-changing business and regulatory climate. NACD has continued to represent its members in Washington and offered support navigating the legislative, regulatory, and commercial landscape.

The NACD advocacy team has been working diligently in Washington to advance policies that benefit the industry. The biggest legislative victory this year was ensuring the continuation of the Chemical Facility Anti-Terrorism Standards (CFATS) bill.

CFATS was created in 2007 to help prevent terrorist attacks on high-risk chemical facilities. The program requires facilities to prepare Security Vulnerability Assessments and implement Site Security Plans that satisfy the performance standards outlined in the rule. The program was extended earlier this year but will be expiring April 18, 2020, unless reauthorized by Congress.

This is a rare program where industry is encouraging additional reporting and regulation by the government, simply because the program is both reasonable and beneficial across the board.

"We worked closely with the U.S. House of Representatives and U.S. Senate to pass last-minute legislation that provided a clean 15-month extension to the CFATS program's expiration date outlined in the 2014 reauthorization," says NACD director, legislative affairs, Doug Leigh. "If the program had sunsetted, it's possible it could have been replaced by a new regulatory program that wouldn't necessarily maintain a focus on security. Right now, we are working toward a five- to seven-year extension so that members can make investments in the program knowing that it won't go away."

The association would also like to see an alternative compliance option included to reward participation in industry stewardship programs that further enhance chemical security, like NACD Responsible Distribution®.

## ADDRESSING REGULATORY CONCERNS

The NACD regulatory affairs team has also been helping members navigate a number of regulatory issues this year. The most challenging and sweeping set of policies issued by the Trump administration has been tariffs on imported Chinese products, also known as the Section 301

tariffs. As it stands in mid-October, thousands of Chinese products are subject to tariffs of anywhere between 15-25 percent. Providing NACD members with the resources to mitigate the effects of these import taxes is vital to ensuring chemical distributors succeed.

"We have an entire web page devoted to the tariffs. We also held an in-depth trade workshop in the spring," says Jennifer Gibson, NACD's vice president of regulatory affairs.

A couple other issues of concern for NACD members have been recent changes to marijuana laws at the state and local levels (see page 15), and Hours of Service (HOS) regulations administered by the U.S. Department of Transportation.

Specifically, the association is hoping to see revisions to HOS regulations allowing time spent waiting at customer locations for loading and unloading to meet the rule's rest-break requirements.

## OFFERING ASSISTANCE

The association has also been making a concerted effort to assist members with their Responsible Distribution requirements as NACD wraps up the 6th cycle of the program at the end of the year. Mike Lang, vice president, Responsible Distribution says, "We noticed more guidance was needed with members' internal audits. As a result, we ran a unique workshop dedicated to that Responsible Distribution requirement in January."

NACD's face-to-face training is becoming increasingly popular, with the two annual Responsible Distribution workshops in spring and autumn seeing solid attendance.

The association has tried to reach its members in many different ways. "We finished developing the NACD U Responsible Distribution online courses," he adds. "We have also had onsite training and visited more member companies than in the past. Next year, we are going to make even more of an effort to visit members and learn more about their operations."

In addition, the association is making a transition to Jim Benning as the new Responsible Distribution Mentor, taking over from outgoing Mentor, Doug Kutz (see page 28).

Earlier this year, NACD also launched a new online membership directory. "Companies can not only upload their contact details to the site, but really personalize their profiles with their social media information and stream their news feed on



It's been another successful year

the front page," says Aileen Smith, manager of communications. "The directory has an algorithm that pulls from the news our members share externally, making it almost effortless to publicize themselves."

The directory also provides members various opportunities to advertise and achieve peak visibility. Full contact information for all NACD member and Affiliate companies is available to those with MyNACD credentials. The directory is still accessible to non-NACD members but without admittance to users' contact information.

The NACD U educational portal is now a well-established online offering. Matt Glaser, vice president, education and strategic programs, says that more members are integrating NACD U training into their companies. Over 200 courses are now offered and almost 2,000 have been accessed this year.

The association's course offerings through Duke University's Fuqua School of Business have also expanded to include a "Communication for Leaders" course.

NACD continues to help distributors raise the bar even higher. By improving advocacy efforts and making new resources available, member companies can achieve even greater success in 2020 and beyond. ■



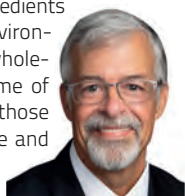
# Managing the uncertainty of 2020

The economy may be slowing right now but be ready for when things pick up and reap the rewards, says Brian Beaulieu, CEO of ITR Economics

Wholesale trade of chemicals and allied products is not recession proof. The U.S. economy is losing steam as we head to the end of 2019, and wholesale activity is losing momentum along with the economy at large.

Last year at this time, wholesale trade of chemicals was experiencing double-digit rise. The most recent data shows a 0.3 percent year-over-year gain for the latest three months and a 3.5 percent increase for the last 12 months. Don't be beguiled into thinking the slower growth is because we were on economic steroids one year ago. The reality is that we are moving in concert with the greater U.S. economy.

There is cause for concern. That concern is magnified by the realization that the global economy is also on the back side of the business cycle. The decline is compounded by trade issues, weakened corporate profitability, and political drama – not the ingredients for a healthy business environment for distributors and wholesalers. Cutting through some of the uncertainty created by those issues will help you prepare and enable you to prosper.



**"The economic fundamentals for the U.S. economy are solid. What we are experiencing is a normal and relatively mild business cycle"**

Brian Beaulieu  
CEO, ITR Economics

ITR Economics expects the economy, and the chemical markets, to bend but not break down. There are a lot of scary articles and ominous pieces of data that can distract you. We think it is better to look at the leading indicators and ignore the drama. It comes down to the Pareto Principle: the majority of the news and inputs you hear are essentially a distraction. Focus on the 20 percent that really matters and accounts for 80 percent of what will actually transpire.



Market conditions have been tough but should improve soon

The leading indicators are telling us that the economy is progressing through the downside of a normal business cycle. This should not be news. ITR Economics has been talking about this, and has forecasted this, since well over a year ago.

The smarter play now is to know what the leading indicators are saying regarding the forthcoming rising trend. When might it start? How bad will conditions get before the recovery begins? Legitimate questions. Having some answers can allay concerns about 2020 and help you maximize the upside of the next business cycle.

### SIGNS OF IMPROVEMENT

Expect the second half of 2020 to be stronger than the first half of the year. The leading indicators are at a normal on-again, off-again, transitioning part of the cycle. They flash green, and the next month they flash red. Some haven't even started flashing green at all and are a solid red. A clearly discernible turnaround in at least some of these leading indicators is a little past due.

We think the trade issues, while not causal to

the current business cycle decline, have had a detrimental impact on the economy and have delayed the development of stronger upside leading indicators. However, this too shall pass.

The economic fundamentals for the U.S. economy are solid. What we are experiencing is a normal and relatively mild business cycle. It is not going to turn into a redux of the Great Recession of 2008-2009.

Keep your expenses lean and mean. Look for opportunities to automate and streamline operations. Be ready to make those investments for growth in the second half of the coming year. Understand that we will soon be at that portion of the cycle where you will want to deploy additional capital to maximize the upside of the coming cycle.

That means you need to be judicious about spending today, so you can have more free cash come the middle of 2020. Don't fear the future. Prepare for it. ■

**Brian Beaulieu is a keynote speaker at NACD's Annual Meeting from November 11-14.**

# Gearing up for debate

Driver shortages, new technologies, and regulatory change are just some of the topics to be covered during another hotly-anticipated transportation panel session at the Annual Meeting



This year's discussion will include panelists from the road, rail, and shipping sectors

**Andy Brice** London

A fantastic turnout and lively discussion during the transportation breakout session at last year's Annual Meeting has prompted its welcome return to the program in November.

However, thanks to NACD's new approach this year of only running larger presentations in the main auditorium, it can now accommodate an even larger audience.

While the format remains much the same – a panel of industry experts outlining the most pressing issues facing chemical distribution and logistics – it has been expanded to include representatives from the road, rail, and barge industries. Once again, the session will provide plenty of opportunities for questions from the floor and should stimulate some interesting talking points, says Jim Keeler, vice president, sales & marketing at Louisiana-based Logistics Management Resources, Inc.

Keeler is reprising his role as moderator for the session, which is scheduled for the final day of the meeting.

"The big difference this year is the discussion has been expanded to cover all modes of transport," says Keeler. "We have someone coming in to discuss everything from van truck size and loads to intermodal. We've also got a representa-

tive from the railroads and another looking at marine shipping. No matter where in the country you're located, whether on the west coast with an interest in the marine sector, or in the Midwest with concerns about rail and trucks, there is something that will appeal to everyone."

Keeler will be joined by Greg Ritter, vice president customer satisfaction at XPO Logistics, who will be talking about trucking and intermodal, as well as Mara Booth-Miller, director marine insurance and vetting at American Commercial Barge Line who will be sharing her insight about the issues facing inland marine. Completing the panel is Mat Brainerd, chairman and CEO of Brainerd Chemical Company, Inc. who will be sharing his perspective and experiences in the rail sector.

## PLAYING A VITAL ROLE

"More and more companies are now truly recognizing the impact of transportation and logistics on their business models," says Keeler. "No matter how much money you spend on research and development, how great your efficiency savings are, or how good or bad your product is, if you can't get your goods to the customer, whenever and wherever they need them, it's all for nothing."

"For the first seven months of last year, we saw an unprecedented crunch on truck capacity and upward pressure on pricing that nobody had ever

quite seen before," he continues. "We're now also seeing a lot of changes to government regulations that are impacting transportation and all of a sudden, people have huge concerns because they're not ready for them."

By way of example, Keeler points to the imminent introduction of IMO 2020 – a set of new rules regarding sulfur that is causing uncertainty among marine operators. Start January 1, the International Maritime Organization has pledged to clamp down on emissions and reduce sulfur content in fuels by over 80 percent.

He hopes the discussions at the meeting will provide additional clarity on this and other issues affecting the industry, and provide a forum for members to share views and allay any concerns.

"The past year has been extremely difficult," adds Keeler. "The general feeling is that you aren't able to find trucks when, and where, you need them. There are also a lot of regulations coming into effect that will impact the trucking and marine industries. With the crude oil industry getting ready to boom, that's also going to have a negative impact logistics-wise on the chemical industry."

"Everybody recognizes all these issues we're facing," he says, "but this session is not just about highlighting those problems, it's about explaining why they're occurring in the first place, and looking at how we can work together to fix them."

He suggests that difficulties procuring trucks again seems likely to dominate discussions, particularly given greater competition from other industries. The burgeoning shale industry and projected demand increases from the oil fields in states such as Texas and Oklahoma, for example, are potentially lucrative for drivers and increasingly luring them away from the chemicals segment. After all, they are able to almost double their earnings by working in the oil industry and this is starting to have severe repercussions for NACD members, he adds.

## TOUGH COMPETITION

"When you look at the overall size of the transportation sector, particularly in trucking, it's hard for chemical distributors to get leverage over anybody. Of all the goods being moved by the different industries across all modes of transport, chemicals still only represent around two percent of them. It may be a big industry but it's still not big enough to have the logistics providers change the way they do business."

Indeed, this topic and others will be addressed during the hour-and-a-half discussion, including how to be more efficient and effective in your day-to-day operations.

Changing mindsets and better working practices can certainly help, he suggests. Trying to present yourself as an ideal customer and a reliable, responsible partner to the trucking suppliers is a step in the right direction.

"Simple things like focusing on eliminating wait times for drivers so they can arrive at your facility and quickly load and unload can help. Remember, they don't make money unless the wheels are turning," he says. "Even thinking about changing delivery hours if you're in a major metropolitan area can stop them getting stuck in the middle of rush hour traffic. Small changes like that make a big difference to operators."

The lack of drivers remains a pressing issue. Fewer people are entering the industry and operators are finding it increasingly difficult to keep hold of those that do. The smaller firms, in particular, continue to struggle with this, he says.

"I think the number one issue are the working conditions," notes Keeler. "Every morning on every highway, along every exit ramp, you can see trucks parked along the side of the road where the drivers have spent the night because there are no proper rest areas or accommodation. They spend over 70 hours a week driving and then have to sleep on the side of the road. That's no standard of life; they're missing the basic comforts – and all for maybe \$60,000 a year. There's a lot of sacrifice as a truck driver but not much gain."

Is it any surprise then, he asks, that they consider other career choices? In Louisiana and Texas on the Gulf Coast, for example, where the oil and

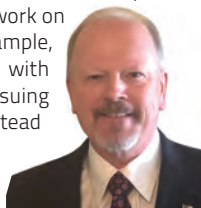


Every mode of transportation is facing multiple challenges

chemicals business is booming, working as a chemical plant operator or welder can be far more appealing with better pay and the chance to head home every night to be with their families.

"All the trucking companies keep trying to push for increased drivers' pay. For a long time, that's been the go-to solution but there is much more that can be done to improve their lifestyles. Many drivers don't mind being on the road and away from home but they do want to know when they are expected to work and when they will return so they can plan their personal lives."

Equally, the railroads have struggled to hire qualified personnel in a similar way. Even sourcing mechanics to work on diesel engines, for example, has proven difficult with fewer interested in pursuing that as a career and instead choosing to work in other industries.



**"More and more companies are now truly recognizing the impact of transportation and logistics on their business models"**

James Keeler

Vice president, sales & marketing,  
Logistics Management Resources, Inc.

Rising costs and aging infrastructure are also likely to dominate the panel discussions, he suggests. Significant investment is needed for upgrades, maintenance, and repairs in both the rail and barge sectors, which will inevitably be passed down the supply chain and affect distribution companies.

Digital technologies are also likely to be a hot topic. Tracking and real-time monitoring capabilities have already made their mark on the industry

in recent years, while new rules and requirements are constantly being introduced. Opinion is still divided among drivers and the wider industry about whether these measures are beneficial or overly intrusive, however.

"There are a lot of new technologies that are in the process of being introduced and many more are on the way. My position is that this is positive for the industry," he insists. "Drivers may complain about their every move being watched, but electronic logs have managed to force out all the illegal driving that was going on and stop them exceeding their hours. Technology has helped clean up the industry and forced drivers to follow the law. That is exactly what was needed."

Improving fuel consumption and reducing emissions remains at the top of the agenda too, he says, with the government mandating that new anti-pollution, fuel-efficient technologies are installed on trucks.

Even this has proved contentious, with operators facing an increasing number of equipment failures and breakdowns because of these new requirements. Keeler points out that some drivers have even looked to avoid the additional repair costs and downtime by selling their tractors and reverting to older models that are exempt from the rules.

"All the information covered by the transportation panel is critical for NACD members – they want to know what's going on and who is doing what to address the key issues," he says. "Our number one goal is to build on the success of last year and have everyone walk away from the session not only having learned something but being in the best possible position to act on it."

The session promises to be a popular draw at this year's meeting and there is certainly plenty to talk about. Keeler has no doubt it will be well worth attending. ■



# Marijuana challenges

The peculiarities of marijuana and increased public acceptance of its use present a dilemma for employers, says Peter D. Guattery, partner at Whiteford, Taylor & Preston LLC

In 1996, California became the first state to legalize medical marijuana through passage of Proposition 215. Over the course of almost 20 years, the movement to legalize cannabis smoldered slowly, with the momentum picking up in the past several years. Now, 34 states and the District of Columbia have legalized some form of medical marijuana. It has been decriminalized or legalized for recreational use in multiple other states, including most recently in North Dakota, Illinois, and Hawaii. Despite this rapid change, marijuana remains a Schedule I controlled narcotic under federal law, and is illegal. Employers faced with a multitude of new laws in this area, particularly those with employees in safety sensitive positions, feel they are left in a quandary.

The increasing number of laws and changing public attitude toward marijuana raises multiple questions on how to address marijuana use by employees. These include whether “zero tolerance policies” remain viable under the law, whether there is a duty to accommodate the use of medical marijuana, even in safety sensitive positions where drug testing may be legally required, such as over the road drivers subject to DOT regulation, and what level of measurable THC – the psychoactive component of marijuana – will establish that person is impaired. While there is significant variation among the various state laws, there are some noticeable trends which provide some guidance for employers walking the tightrope between competing claims of safety, disability accommodation, and employee privacy.

## MANAGING MARIJUANA

Taking California as an example, employers who comply with state requirements on workplace drug testing are generally permitted to maintain zero tolerance policies. In states like New Jersey, there are carve outs in the law which, although generally prohibiting discrimination against users of medical marijuana, permits employers to pursue disciplinary action against medical cannabis users if the failure to do so might put them in violation of federal law or jeopardize a federal contract or federal funding. In other states, courts have noted, in dicta, possible exceptions to the application of disability laws, where the position involved is safety sensitive.

At the same time, however, employers should



Marijuana is under scrutiny

be aware of two noticeable trends in marijuana use litigation. First, there is growing acceptance of the argument that medical cannabis users should be entitled to the protection of state disability laws, provided they have otherwise complied with the law's requirements for medical certification. Courts have taken this position in spite of arguments that marijuana use is criminal under federal law, which is supreme under the U.S. Constitution. This shift is a noticeable step away from early decisions in states such as Oregon, which declined to recognize the obligation to accommodate.



**“Employers faced with a multitude of new laws in this area, particularly those with employees in safety sensitive positions, feel they are left in a quandary”**

Peter D. Guattery  
Partner, Whiteford, Taylor & Preston LLC

Second, with the increasing legalization of recreational use of marijuana, there are also questions to what extent an employee may be penalized for legal use of the drug outside of working hours. Under a recent Illinois law, employers are prohibited from disciplining or terminating an

employee who has used marijuana outside of normal working hours, provided they are not under the influence while at work. The law also has provisions which provide employers leeway to address the use of marijuana by “on-call” employees. Employers may still ban the use of marijuana in the workplace, and forbid employees from reporting to work under the influence; however, an employer's right to discharge in the latter situation has become a bit murkier.

## TESTING TIMES

Under the Illinois law, employers may still drug test on reasonable suspicion, and they may discharge employees where there is a good faith basis to believe that employees are under the influence. However, the law also provides employees with the right to contest the employer's asserted “good faith” belief that the employee was impaired. How all of this will eventually play out in the courts is unknown, like given the potential clash with federal laws, particularly those such as the Drug Free Workplace Act, which require an employer to enforce zero tolerance for drug use.

Presently, the law seems to favor arguments based on workplace – and public – safety. The extent to which this may shift, as legalized recreational marijuana use and employee privacy law proliferate, is harder to predict. One issue that remains is what precisely constitutes an impairment. The Illinois law attempts an answer by providing some extreme examples of impairment, such as slurred speech, lack of physical dexterity or coordination, and irrational or unusual behavior. These extreme examples, however, may not reflect the range of impairment presented by cannabis use.

While there is a clear national standard for alcohol use, no such standard exists for marijuana.

Further complicating the matter is the fact that drug concentrations may have widely differing effects on different individuals. THC may stay in the blood stream in detectable levels for weeks. In some cases, even use of CBD patches, which generally should not result in any impairment, may cause users to test positive for use of the drug.

All of this presents a number of interesting legal problems, particularly as employers try to navigate the various laws and how they may impact their business operations. ■

# Preparing for the worst

An emergency plan is critical to ensure companies can keep staff safe and continue to operate during extreme weather conditions

Elaine Burrigde London

It is said that North America, and particularly the U.S., has the world's wildest weather extremes. It seems inevitable then that regardless where you live or work in the region, you or your company may at some time be affected by extreme weather – whether that is a hurricane, tornado, drought, flood, wildfire, heatwave, or snowstorm.

According to the National Oceanic and Atmospheric Administration's (NOAA) National Climatic Data Center, there have been six weather and climate disaster events in 2019 (up to July 9) with losses exceeding \$1bn each across the U.S. These include two floods and four severe storms.

For 2018, costs for weather-related disasters, which included two hurricanes – Florence and Michael – as well as severe winter storms and “record-crushing” heat, is anticipated to top \$155bn, according to the *Washington Post*.

The Congressional Budget Office estimates that, on average, hurricane damage costs the U.S. \$54bn every year. It pays then to plan properly for a weather-related emergency.

Distributors such as Andes Chemical, Riteks, and Maroon Group have all experienced extreme weather conditions and have good advice on how to prepare so that both business assets and staff are protected.

## A WAY OF LIFE

Located in Florida, Andes Chemical has to regularly keep an eye on impending storms. “Hurricanes in Florida are a way of life. We are used to dealing with them,” says Fernando Espinosa, president of Andes Chemical, adding that the company does a yearly drill for employees.

To prepare for impending storms, Andes will follow the forecast closely and slowly ramp up emergency procedures, depending on the threat level. The National Hurricane Center is the “go-to” website for tracking storms.

Simple but effective measures include moving product out of the warehouse(s) as quickly as possible and, if relevant, putting tarpaulins over any powder product to prevent it getting wet. A makeshift barrier made from pallets of “cheaper” product is pushed against the doors of the warehouse and garbage bags are put over the moni-



Adverse weather can significantly impact your operations but forward planning can help

tors to protect from water ingress.

Espinosa says buildings in the state are now constructed to a high standard and are very safe, particularly for wind protection. The Florida buildings codes were strengthened following Hurricane Andrew in 1992. At the time, Andrew, which devastated South Florida, was said to have been the costliest hurricane for the U.S.

Should a storm hit, the company's WhatsApp group moves to emergency messages only. On a personal level, Espinosa says staff should ensure there is enough gas in the car, food in the house,

and cash on hand, to prepare for one to two weeks without power and supplies.

For Espinosa, 2017 was the year he faced the biggest storm in his professional lifetime – notably Hurricane Irma, the most intense hurricane to strike the U.S. since Katrina in 2005. Irma hit Florida on September 10, reportedly causing at least \$6bn in property damage, with most homes and business losing power.

Andes Chemical used generators while power supplies were down for about a week, Espinosa recalls, adding that he eventually had to evacuate

South Florida with his family because of the risk of flooding. It was, he says, a difficult time because of the conflict between his natural desire to keep his family safe and the need to protect his business.

However, being outside South Florida did enable him to email and communicate with staff and key customers and suppliers, also allowing him to assess the situation before returning to Miami 48 hours after the storm hit. Espinosa says it took about a week for the company to return to normal operations.

Since Irma, Espinosa has fast-tracked a project to move his IT system to a cloud-based server, with no servers now located on company premises. Other tips he has learned along the way are to take notice of your elevation and invest in a satellite phone.

He explains that it is easy to find out how high above water you are by opening up a compass app on a cell phone, noting that it does not matter how far inland you are, if you are situated in a low-lying area. "Water is the most serious effect of a hurricane," he says.

Espinosa also now owns a satellite phone, stating that this could be the only way to communicate if the cell network goes down. "It is a nice insurance policy," he remarks.

## COMMUNICATION IS KEY

Ed Boss, founder of Texas-based industrial chemicals distributor Riteks and treasurer of NACD's Board of Directors, is also a storm veteran, having experienced several hurricanes during his business life. One of these hurricanes was Harvey, a Category 4 storm that made landfall on Texas and Louisiana in August 2017, causing catastrophic flooding and many deaths. Boss himself lost his home to Harvey.

Riteks has worked hard in recent years to establish a strong emergency plan for both its IT and communication systems, which Boss says worked well during Harvey. "We have the capability to operate remotely under almost any scenario," remarks Boss, adding that his staff have laptops and that the company's servers are located at three separate locations, two in Houston—one onsite, one offsite—and one in Dallas.

He advises companies to check where servers are located—even for cloud-based systems. What is the plan if the server goes down? Boss notes that during Harvey, the company used its backup systems for more than a week. The servers back up the system every night.

With regard to communication, Riteks has a corporate cell phone but the company also maintains two emergency backup cell phones with a separate provider, offering an alternative should one network go down.

Communication with customers is also of prime importance and must be started days in advance of any approaching storm. Riteks has



Investing in cloud-based technology can help in a crisis

customers scattered throughout the U.S. so some may not realize that the company could be shut down for a period of time. Initial communication gives them a heads up, says Boss, so they can plan accordingly.

Boss notes that one of the hardest parts of dealing with an impending storm is whether to make a management decision and plan for the worst-case scenario, especially difficult he says when national news always seems to take the worst angle.

NACD, meanwhile, has a Hurricane Resource Center on its website, which Boss says is very helpful and provides useful guidance. The Center lists emergency numbers for certain federal and state agencies and NACD also reaches out to members in regions that may be affected by severe weather conditions to see if it can offer assistance.

Maroon Group, headquartered in Avon, Ohio, and with facilities throughout the U.S. and Canada, including a network of more than 40 warehouses, is also well prepared in dealing with weather emergencies. Scott Simmons, Maroon's director for regulatory affairs, says many of the company's facilities are located in the Midwest and Northeast, so are impacted about once a year from a significant snowfall or winter storm.

More recently, Maroon Group fully implemented its emergency storm preparation plan at its Boca Raton site in Florida. Hurri-



**"Make sure you are considering the impact on individuals at the site. Without staff, a business does not have much"**

Scott Simmons  
Director for regulatory affairs, Maroon Group

cane Dorian, which devastated the Bahamas in early September, was projected to hit Florida and the East Coast. Fortunately, Florida dodged the worst of the storm.

Along with taking all the usual steps to protect company equipment, Maroon Group reroutes its phone lines to another facility to deal with incoming orders and queries. In addition, it arranges for a few people to be on call in locations that are safe from the storm to help address any technical questions.

The company's communication network is linked to other systems and its IT platform is cloud-based. Simmons advises that companies should check where their cloud-based server resides. If, for example, it is supplied by a small company that provides a niche application on just the one server, it may not be able to offer backup services from other locations in an emergency shutdown like the bigger providers/hosts.

In addition, Simmons suggests it is worthwhile for companies to check their insurance policies are appropriate for extreme weather events relevant to the region they operate in.

Looking after staff is important too, he points out. "Make sure you are considering the impact on individuals at the site. This is extremely important and the right thing to do, not only from a business perspective but as a responsible employer," says Simmons. "Without staff, a business does not have much. Your employees are the face of your business. The faster people are safely back at work, the faster a company returns to operation."

Early preparation and robust planning are obviously key factors to emerging from an extreme weather event with as little impact as possible, both from a business and personal point of view.

Check your plan to make sure it covers everything you need to operate and communicate during an emergency. You may not always be forewarned but you can be prepared. ■



# Striving for a sustainable supply chain

Efforts to improve efficiency, recycling, and waste management are gathering pace and have become a top priority for business

**Elaine Burrigde** London

Increasing demand from customers for greener and safer products has been pushing sustainability and environmental awareness higher up chemical producers' agendas in recent years. Customers are asking questions around sustainable procurement, human rights, and recycling, to name a few.

As an important part of the supply chain, chemical distributors are facing this push too and embedding sustainability into their corporate policies as well as applying best practice to become more efficient and reduce their waste and CO2 footprint.

One such distributor is New Jersey-based R.E. Carroll. John Boruta, quality assurance & compliance manager – also a member of NACD's Regulatory Affairs Committee and its Chemical Product Safety Subcommittee – recalls that about a year ago, R.E. Carroll was contacted by two of its customers, both multinational tire companies. They wanted the distributor to sign up to EcoVadis, a sustainability ratings company.

## SUSTAINABILITY SCORING

Established in 2007 in Paris, EcoVadis provides ratings and scorecards on corporate social responsibility (CSR), covering 21 criteria across four themes of environment, fair labor and human rights, ethics, and sustainable procurement.

Its methodology is built on international CSR standards that include the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000 standard for social responsibility.

The process was a first for R.E. Carroll and Boruta was pleased, even though somewhat surprised given that the company had not done this

before, to get a silver ranking. However, he credits NACD and its Responsible Distribution program as having paved the way.

"We were surprised at our rating but we obviously did more work for the verification process under NACD Responsible Distribution® than we thought," remarks Boruta.

He says that the EcoVadis program, which comprises more than 200 questions, appeared to be overwhelming at first but the experience R.E. Carroll had gained under Responsible Distribution was a big plus. Yes, it was time consuming, especially as it was the first time R.E. Carroll took part, concedes Boruta, explaining that, like NACD's requirements for Responsible Distribution, proper documentation needed to be provided for every question of the survey to support the company's claims.



**"Start at the beginning and take a step-by-step look at each layer of the supply chain"**

Andy Lovenduski

Director of warehousing and logistics,  
Azelis Americas

However, despite the time-consuming process, Boruta says he sees a clear advantage of being a member of EcoVadis. Just like the beginning of international standard ISO 9001, a certification of quality management standards, companies are using their EcoVadis rating as a powerful tool to promote their sustainability credentials and differentiate themselves from their competitors, he adds.



The EcoVadis process has to be completed every year and companies must pay to become a member and get their information evaluated. However, companies can share their data with customers and suppliers, and their scorecards also include benchmarks and feedback on areas to improve.

According to EcoVadis, some 64 percent of assessed companies improve their scorecard performance upon a second assessment and procurement teams save 80 percent in costs versus do-it-yourself programs. The company cites industry leaders such as BASF, Johnson & Johnson, L'Oréal, Nestlé and Salesforce among the businesses using its network to assess and improve their sustainability performance.

## GOING FOR GOLD

Azelis too has embraced sustainability in a big way. The leading distributor of specialty chemicals and food ingredients has earned a gold rating through EcoVadis for corporate social responsibility, which Andy Lovenduski, director of warehousing and logistics at Azelis Americas, says places it within the top 1 percent of all distributors. Lovenduski says CSR and sustainability are key drivers for the company's future and it takes its commitment to sustainable procurement very seriously.



and industrial waste as well as various types of e-waste.

Lovenduski points out that it is important to understand what generates the waste streams within an organization. "Start at the beginning and take a step-by-step look at each layer of the supply chain. This will help a company have better control in managing all types of waste, not just the physical type that is disposed of at the end," he advises. "It would help to save CO2 emissions from transportation, excess inventory levels, and even save time – which is the best type of waste reduction."

He says companies should have a written plan on its waste streams, who is responsible for them, how to monitor them, and who is responsible for their disposal.

"Remember, a process doesn't exist until it is written down," he says, adding that senior management need to "lead the charge and support waste reduction efforts."

## PROFIT FROM RECYCLING

Waste and recycling are areas that David Caston, president of Barton Solvents, knows all about too. The family-owned distributor headquartered in Des Moines, Iowa, has been operating a recycling program for its customers since the 1980s – long before sustainability became the buzz word and hot topic it is today.

Many of the products it sells are incorporated into other items, such as materials for paints and printing inks.

Barton Solvents takes back the waste products, for instance solvents, and transports them to a recycling facility, where they are filtered, processed, and returned for reuse. The recycler that Barton uses in Wisconsin – WRR Environmental Services – can get up to a 60 percent rate of return.

"The waste part of our business is also a profit center and we have adopted a cradle-to-grave approach," says Caston. "If it cannot be recycled, then we will dispose of it in a responsible manner. We have seven locations and all of our facilities operate this program."

In addition to recycling waste products, Barton Solvents takes back its 55 gallon drums and cleans them for reuse. "We can get two to four trips out of most of them," Caston says.

He points out that while sustainability is coming more to the forefront of corporate agendas and is an additional area of focus, there are also cost savings to be had on the recycling path.

Certainly, being proactive in reducing waste and becoming more energy efficient makes common sense. In addition, those companies that actively embed and promote their CSR efforts can also gain a competitive edge among their suppliers and customers. Surely, a win-win situation all round. ■

"Responsible Distribution urges a sharp focus on operations and product stewardship, which makes them part of our overall CSR strategy," he says. "In particular, Azelis selects partners throughout each stage of the supply chain that share our commitment to a healthier environment."

As well as signing up to EcoVadis and other third-party ratings companies, distributors are also taking practical steps to incorporate sustainability during their daily operations. As well as obvious steps such as turning lights and heating off at the end of the day and cutting down on paper use, companies are implementing various initiatives to control waste, increase recycling, and reduce their overall carbon footprint.

This year, Azelis Americas has embarked on a program aimed at controlling waste at the source – the beginning of its supply chain.

"Efforts are focused on working with key suppliers to ensure Azelis receives products that are innovative, require the least amount of packaging, and are potentially recyclable," says Lovenduski. "In addition, in our portion of the supply chain, we've taken active steps to reduce waste by working with third-party logistics partners and a transport management system to reduce CO2 emissions."

"We have learned that when you train your employees to look for ways to reduce all forms of waste, the right material is able to get to the customers at the right time with the least environmental impact," he adds.

Other sustainability efforts at Azelis include installing energy-efficient lighting at all its offices and distribution centers, along with initiating an engine idling policy across its centers to help reduce greenhouse gas emissions.

At its Phoenix distribution center, Azelis also installed a white elastomeric roof coating that actively lowers inside-working temperatures and reduces the need to run temperature-controlling devices, such as swamp coolers and air conditioners.

In addition, the company is actively taking steps to reuse or recycle material to stop it going to landfill, including office



**"The waste part of our business is also a profit centre and we have adopted a cradle-to-grave approach"**

David Caston  
President, Barton Solvents



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# Learning to lead

NACD's Emerging Leaders program was launched to nurture the next generation of talent and prepare them for the future. For those involved, it has certainly been a great learning process



Companies can nominate their top young talent for the program

**Andy Brice** London

The latest class of future leaders is due to graduate at this year's Annual Meeting. It marks the end of a two-year journey that has seen participants develop the key skills needed to succeed in an increasingly competitive and ever-changing marketplace.

Since its launch in 2013, the Emerging Leaders program has helped prepare a huge crop of young talent for a career in chemical distribution. More than 60 people have since taken part, many of whom have gone on to not only hold key roles within their own companies but to represent the wider industry as part of NACD itself.

The brainchild of Hubbard-Hall's Andrew Skipp during his role as NACD chairman, it has grown to become a core component of the association's ever-expanding education offering.

It teaches vital leadership skills and also pro-

vides an opportunity to form lifelong bonds with classmates – providing a group of like-minded individuals who can offer support and guidance throughout their careers.

Participants regularly convene for a series of meetings where speakers, seminars, and interactive sessions offer guidance, insight, and best practices. The result is a close, trusted group that discusses everything from problem-solving and relationship-building to communication skills and how best to overcome the everyday hurdles of management.

## SECURE YOUR SPACE

Member companies can nominate employees who meet certain criteria to take part in the course, although spaces are limited so early applications are advisable. Candidates need to be motivated professionals, ideally with around 10 years' experience who are being readied for a

management role within their company.

The cost of taking part is negligible, requiring only a nominal enrollment fee and the cost of travel and lodging to attend each of the meetings. With only a few scheduled each year – and each coinciding with NACD events – time out of the workplace, and the disruption that brings, is kept to a minimum.

Robert Veca, CEO of Veckridge Chemical Company, says he was approached by NACD's chairman Skipp when the initiative first launched and decided to enroll someone in its inaugural year. He decided on Tim Rozsa, a sales representative at the company.

Since graduating, Rozsa has remained active with NACD and gone on to join its Membership Advancement and Retention Committee.

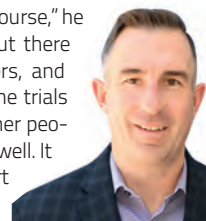
A third-generation family business, Veckridge has been an NACD member for the past three decades and understands the value being part of the association can bring. In fact, after seeing the benefits the first time round, he has encouraged another three employees to participate in the program in recent years – his two sons, Devin and David Veca, as well as his nephew, Zachary.

"Our industry tends to be an older demographic. As young people come into chemical distribution, I think there's a tendency for them to feel alone or isolated," he says. "The Emerging Leaders program gives them a chance to meet other people of similar ages and interests. It's a valuable networking tool that helps them meet other people in the industry, so they can create their own network of peers and get some great experience. It really is an excellent program."

Finding and retaining talented employees is getting trickier, he suggests, but a course such as this helps to prepare them for the future, while also making them feel proud and valued.

In fact, Veca admits to seeing a noticeable difference on his graduates' return, each of them having renewed impetus and enthusiasm.

"I really did see them having a more enthusiastic approach to the business itself when they finished the course," he says. "They're getting out there meeting with their peers, and getting to understand the trials and tribulations that other people are going through as well. It makes them feel like part



**"Our class developed a kinship and a real bond. I know that if I ever have a problem, I can always send an email or text message and they'll help me"**

Colie Whitaker

Chief operating officer, Whitaker Oil Company



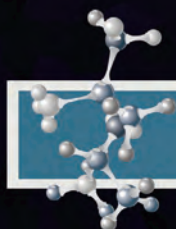
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of a larger community and they seem to come back with a renewed spirit in terms of applying themselves to their job."

Bart Whitaker, president and CEO of Whitaker Oil Company, says the program also helped his son, Colie, take his career to the next level. He was in the second class and graduated two years ago.

"Colie had spent 12 years in the U.S. Air Force and was unsure about whether he really wanted to get involved in the chemical distribution industry," says Bart, "but this program made him feel this really was what he wanted to do for a career."

"As a pilot, he had already developed a lot of skills and expertise, and met people from different walks of life. After all those life lessons, I think he initially doubted whether the program would be of any use to him but he came away thinking it was actually really beneficial."

Colie agrees. "I was several years behind my peers in terms of industry experience and I knew that a class like this would help me catch up. I had some transferable leadership and management skills but in terms of industry specific experience, it was very useful."

Colie, now the firm's chief operating officer, says the course opened many doors and opportunities, not only within the industry but the association itself. He has remained involved with NACD ever since and has become vice president of the Southern Region Board and holds a position on the broader NACD Board of Directors.



**"It's not only taught me about business and how to be a leader but it's also shown me how to become a better person"**

Kerry Bagley

Senior technical sales representative,  
Bedford Specialty Sales, Inc.

He also found his new classmates to be an invaluable resource themselves. He recalls how he was able to use the experiences and advice of one of them to create a new inside sales team at his firm, for example. It proved extremely successful and probably would not have happened if they had never met.

"It's difficult to quantify just how much I've used the lessons learned within that class and from those other individuals. One of the biggest benefits has been making all those contacts and meeting many great people within the industry. Our class developed a kinship and a real bond. I know that if I ever have a problem, I can always send an email or text message and they'll help me."

Amanda Bagley, president of Bedford Specialty Sales, Inc. says her niece Kerry found the experi-



Everyone has the chance to gain knowledge, insight and lifelong friends

ence equally rewarding. She is due to graduate from the current class at the Annual Meeting.

## PLANNING FOR THE FUTURE

"I've been a big proponent of the Emerging Leaders program from the beginning but I waited several years before putting Kerry forward because I wanted her to get some sales experience in the industry first. She is my succession plan so I thought this would be a great program to help prepare her to run our company in the future."

"One of the hardest things, especially for a small business, is to find and then retain good employees," says Amanda. "You have to make sure you're meeting their needs and providing them with a path forward so they can succeed. This is especially true with millennials who want companies to provide them with additional education and skills."

She says she was so impressed by the initiative that she intends to send another sales representative, Ryan Wittenzellner, through the process in the not too distant future.

Indeed, Kerry would not hesitate to recommend the experience to others.

"I was initially a little nervous walking into that first meeting and seeing the group. Nobody knows what to expect and everyone feels a little awkward but now we all get along like we've known each other for a long time," she says.

"This program is a private and safe space where you're encouraged to open up and talk. Whatever you say is confidential and everybody respects that. It creates a real bond between everyone. We talk about business and our professional and personal lives, and it's a lot of fun."

There are no tests, quizzes, or assignments, adds Kerry. Participants are simply asked to show their commitment by attending the various training sessions – typically three each year – which coincide with the Washington Fly-In, ChemEdge, and the Annual Meeting.

"You just need to show up, pay attention, and participate. They also give you a discounted rate if you want to go to the whole event. Some people just choose to go for the Emerging Leaders part but if your work allows it, you're welcome – and encouraged – to attend the entire meeting where you can learn a lot more about the industry and what NACD is doing."

"As long as you pay attention and go to the meetings, you'll definitely get something out of it. I can definitely attest to the fact that it's helped me improve my communication skills," she admits. "One of the speakers taught us not only about how to be a better speaker but how to be a much better listener, and that's been a really positive improvement in meetings with my customers."

"It's definitely good to get some fresh perspectives about business and learn new sales techniques and skills. Interacting with other people gives you a better understanding of the industry and the opportunities that are there. The program doesn't just benefit you as an individual – it also helps your company."

"It's not only taught me about business and how to be a leader. It's also shown me how to become a better person in general. It's taught me some pretty valuable skills. I also now have people I can reach out to about work and have made new friends."

Graduates past and present reunited in June for the first-ever alumni event. Joined by spouses and significant others, the optional gathering in Wisconsin gave everyone the opportunity to meet and network, while also hearing from a series of speakers about the importance of work-life balance and nurturing relationships.

While the class of 2019 may be preparing for the end of the program, they are also ready for an exciting new beginning. ■

**To find out more about the Emerging Leaders program or to apply for a place, visit <https://www.nacd.com/education-meetings/education/leadership-programs>**





## THANKS TO OUR PAC CONTRIBUTORS

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

**Edward Boss**

Riteks, Inc.

**Kathy Brainerd**

Brainerd Chemical Company, Inc.

**Lynne Bukovic**

Harcros Chemicals, Inc.

**Brian Chenette**

Gilbert & Jones Company Inc.

**Jennifer Gibson**

National Association of Chemical Distributors

**Megan Gluth-Bohan**

TRInternational, Inc.

**Jonathan Spielman**

Independent Chemical Corporation

\* From July 1 to September 30, 2019



In the third quarter of 2019, NACD is pleased to announce the following members have passed the 6th cycle (2017-2019) on-site Responsible Distribution verification.

### DISTRIBUTOR MEMBERS

- Acme-Hardesty, a Division of Jacob Stern & Sons, Inc
- Celta Chemical, Inc.
- ChemSpec, Ltd.
- Service Chemical Industries, Inc.
- Aceto Corporation
- Amchem, Inc.

- Connection Chemical LP
- Global Chemical Resources
- Nexeo\*
- Univar\*

### CHEMICAL HANDLER AFFILIATE

- Skyline Transportation, Inc.

### CHEMICAL PRODUCER AFFILIATE

- Dober

\* Now Univar Solutions; however, these companies completed their verifications under pre-merger company names

# Avoid a workplace fall

Falls are one of the most cited health and safety violations but simple measures can help ensure that accidents can be prevented

**Michael Lang** NACD

It is not some type of desired popularity contest, but fall protection is once again in the U.S. Occupational Safety and Health Administration's (OSHA) top 10 cited violations. In 2018, it earned the not-so-enviable spot of number one with 7,216 total violations, about a 4.5 percent increase from the previous year.

OSHA requires that fall protection be provided at elevations of four feet in general industry workplaces, five feet in shipyards, six feet in the construction industry, and eight feet in longshoring operations. Given that many of our members are considered general industry workplaces, in terms of OSHA and elevated platforms, what are the general take-aways that our members can learn from?

OSHA and the American National Standards Institute (ANSI) have respectively four and five generally accepted categories of fall protection. Below are five categories based on their segments:

- **Hazard elimination:** Reducing the occurrence of fall hazards by eliminating the chances of those incidents is the most preferred way to protect employee health. This is the hardest recommendation to achieve.
- **Passive fall protection:** Physical barriers like guardrails around unprotected edges and covers over holes.
- **Fall prevention:** Preventing the worker from accessing the potential hazard.
- **Fall arrest:** Stopping a person safely who is already falling. There are two major types, a general fall arrest such as nets and personal fall arrest like lifelines.
- **Administrative controls:** Focusing on the way people work to reduce risk. This is considered the easiest to achieve.

Getting back to those violations cited by OSHA, the agency defines a serious violation as "one in which there is a substantial probability that death or serious physical harm could result, and the employer knew or should have known of the hazard."

OSHA defines a willful violation as one "committed with an intentional disregard of or plain indifference to the requirements of the Occupational Safety and Health Act and requirements." In 2018, there were 134 total violations in this category.

More violations cited and the penalties are



Accidents can be easily avoided

going up too. The new maximum penalty is \$132,598 per violation, up from \$129,336 in 2018. Willful violations include a minimum fine of \$9,472, up from \$9,239 in 2018.

Although NACD Responsible Distribution® is not a regulatory audit, our members are better prepared because of efforts associated with Responsible Distribution when regulators come knocking on their doors. During Responsible Distribution verifications, verifiers pointed out to members examples of safety issues, including:

- Workers on top of tank trucks where there were no railings and workers were not tied off. Of course, there are some exceptions where the spe-

cific case must be compared to the regulations.

- Dock areas (other than where trailers are positioned) that were more than four feet to the next level, and there were no installed railings.
- Evidence of working at heights (harnesses, lanyards, etc.), but the company had no written program, no documentation of specific training, and no documentation of the safety equipment inspections.
- Harnesses observed that were no longer serviceable (torn, frayed, burnt, stained, etc.) but had not been taken out of service.
- Railings that had been installed but did not meet specifications, i.e., no mid-rail and where applicable no toe-board/kick-plate.
- Improper use of work platforms or cages, particularly those that elevate.

Our members have been very attentive in addressing these issues and making the necessary safety improvements. In addition to resolving the physical safety issues, NACD members also took care of communicating fall protection tips to their employees:

- Identify all potential tripping and fall hazards before work starts.
- Look for fall hazards such as unprotected floor openings/edges, shafts, skylights, stairwells, and roof openings/edges.
- Inspect fall protection equipment for defects before use.
- Select, wear, and use fall protection equipment appropriate for the task.
- Secure and stabilize all ladders before climbing them.
- Never stand on the top rung/step of a ladder.
- Use handrails when you go up or down stairs.
- Practice good housekeeping. Keep cords, welding leads, and air hoses out of walkways or adjacent work areas.

For more information, visit the OSHA and ANSI websites. Also, make sure that you have NACD's Regulatory Compliance Preferred Providers webpage bookmarked. Give the providers a call for more guidance on regulatory issues and safety practices of excellence.

We all want the best for our employees, and we make it a priority to ensure that they arrive home in the evening the same way they arrived at work in the morning, healthy and safe. ■

**"Our members are better prepared because of efforts associated with Responsible Distribution when regulators come knocking on their doors"**

Mike Lang

Vice president, Responsible Distribution, NACD

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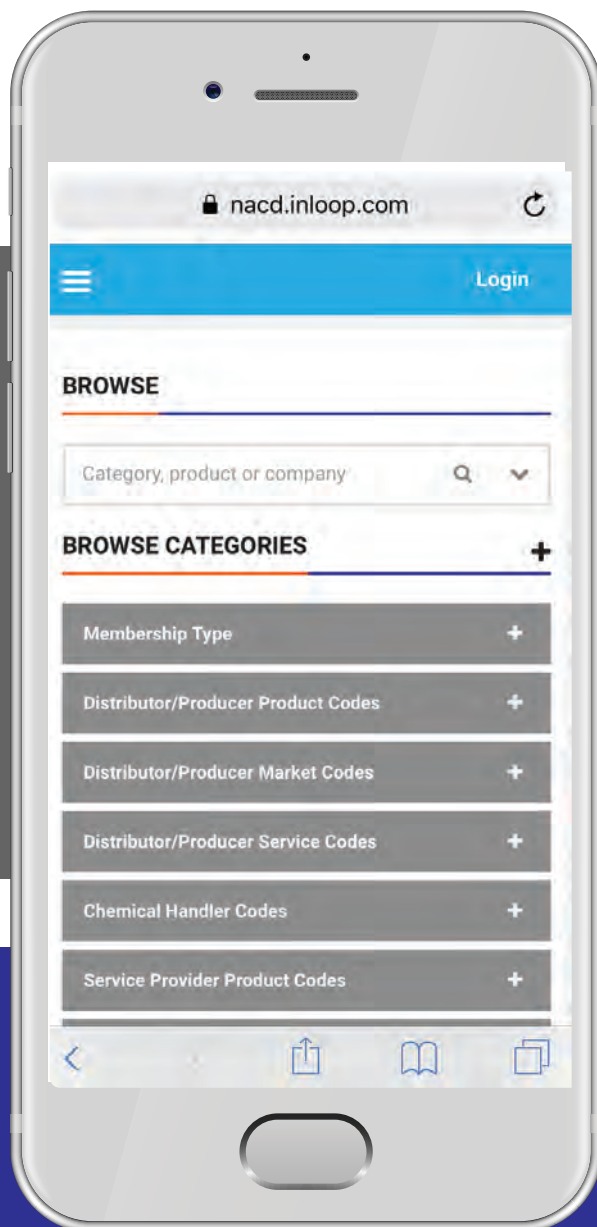
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# New members and Affiliates

NACD welcomes the following companies as members and Affiliates

## Chemical Distributor Members

### NEUCHEM INC.

150 Country Estates Circle  
Suite 106  
Reno, NV 89511

**Tel:** (775) 499-5858

**Primary Contact:** Marc Neulight, president

**Email:** marc@neuchem.com

**Primary Code Coordinator:** Ewa Jasinski

### SACONIX LLC

560 West Crossville Rd.  
Roswell, GA 30075

**Tel:** (678) 461-0456

**Primary Contact:** Albert Foley, president

**Email:** al.foley@saconix.com

**Primary Code Coordinator:** Albert Foley

---

## Service Provider Affiliates

### MULLEN EQUIPMENT CORPORATION

3155 West Big Beaver Rd.  
Suite 105  
Troy, MI 48084

**Tel:** (248) 643-8120

**Primary Contact:** Edward Kmit, president

**Email:** eddiek@mullenequipment.com

### BENNING SMALL BUSINESS ADVISORS

7 Combie St., #17  
Salem, MA 01970

**Tel:** (877) 272-3765

**Primary Contact:** James Benning, senior consultant

**Email:** jrbenning@outlook.com

## Insight onsite

Jim Benning takes over as the new Responsible Distribution Mentor in January 2020, bringing his wealth of experience to Code Coordinators and member companies



Benning will bring his insight and a fresh perspective to the role

**Jane Gibson** London

Jim Benning is ready and willing to take over the job as the NACD Responsible Distribution Mentor next January from his friend and colleague, Doug Kutz.

NACD makes sure that members do not have to enter the verification process alone and provides a free helping hand for members through its Mentor program.

Kutz, the first NACD Mentor who developed and filled the position during its first 10 years, is transitioning to various projects at the end of 2019. Since July, Benning, himself a former Code Coordinator, has been working alongside Kutz to gain experience in what the Mentor role involves and how vital it is to NACD members.

"Doug's knowledge of Responsible Distribution

is off the charts and he was one of the original pioneers of the program," says Benning. "I also have a strong background in Responsible Distribution, with more than 10 years on the Responsible Distribution Committee as well as the Chair position in 2012 and 2013. In addition, I believe it is an added benefit that I am very hands-on with ISO and lean manufacturing."

Benning started out his chemical distribution career at Hubbard-Hall Inc. just over 20 years ago as director of operations. His first project was to install ISO 9001 at each of the facilities, which he had accomplished at his two previous companies in the plastics industry. Because ISO is a set of processes, and he was already responsible for operations, taking over as the Responsible Distribution Code Coordinator made sense to him.

A few years later, he started working in lean

manufacturing and integrated the programs, with continuous improvements. The ongoing commitment is to make all of its facilities "Better, Safer, Faster", an initiative of Hubbard-Hall.

### PASSING ON KNOWLEDGE

Benning believes his knowledge of ISO 9001 will be a huge benefit to members looking for advice on how to combine the systems. "Many of our members have an ISO quality management system in place. I have strong knowledge of how you can incorporate the programs together. I am also extremely excited to pass on how members could tie lean manufacturing into their Responsible Distribution practices."

The Mentor program enables participants to work directly with a Responsible Distribution expert and receive one-on-one guidance that is

tailored to individual member companies. This includes advice over the phone, completing the verification procedures, or a tour at the member's facility.

Since starting to work alongside Kutz in July, Benning is now seeing some of the challenges that companies face during the Responsible Distribution process and is offering his guidance.

"Sometimes it's just listening to what they need help with. On other occasions, it will be reviewing the findings from the third-party verification, making sure that whatever corrective actions they are employing will resolve the issue rather than creating another one."

From his experience so far, Benning says that companies need to:

- Understand that all locations need to be internally audited every year, all 13 Codes of Management Practice and all specifications within each code.

- Be careful when claiming that a particular specification is not applicable since the verifiers may find otherwise.

- Consider corrective actions to the verification findings.

In relation to the third point, Benning says that under the Code X.B., if senior management didn't sign off on the internal audit, this would result in a corrective action. If the corrective action response was then very specific as to who would sign off going forward, it is then auditable to check that each of those noted did sign off every time. "Sounds simple but easily overlooked," says Benning. "To use an old ISO phrase, 'Say what you do, do what you say.'"

Benning points out that if a company is ISO-compliant, then it will be familiar with the corrective action process. On the other hand, an ISO-compliant company may neglect the Responsible Distribution internal audit as they feel those Responsible Distribution procedures are covered under ISO, when they are not.

Benning says there is no perfect system of completing the verification process overall. "A member's Responsible Distribution program doesn't need to be electronic; hard copy documentation works fine too. There is no need to overcomplicate the process as there is no ideal set of standard operational procedures (SOPs)."

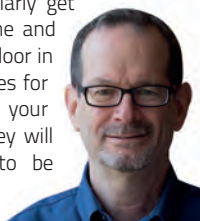
However, Benning is keen that companies have procedures that work for them and are not written specifically for the verifiers. "They shouldn't be too long. If you have 14 pages of procedures, you won't know or remember them. Keep in mind, SOPs should be simple to read, understand, and follow."

Code X: Internal Audits is often the most daunting one for member companies. Benning says that one problem a company can face is actually finding internal auditors and suggests that

the role can be fulfilled by staff members from other parts of the company.

"Get an internal auditor from accounting so that they can see operations and how it really works. Or someone from purchasing as they will be able to actually see the receiving process when auditing that SOP. They may not usually go out on the warehouse floor, so this presents a new learning opportunity and they come back to their roles with more passion and fresh ideas – and it brings them more into the fold of Responsible Distribution. Companies should consider alternating their internal auditors as this also fits in well with lean manufacturing."

Benning suggests that Code Coordinators and managers need to regularly get out of their comfort zone and head to the warehouse floor in order to find opportunities for improvement. "Interview your warehouse operator. They will tell you what needs to be changed."



**"I love our industry and look forward to learning and helping others. I really want our members to improve their Responsible Distribution program"**

Jim Benning  
NACD Mentor

As a Responsible Distribution Committee member, one of the biggest challenges that Benning saw was making sure that senior management commitment and support was at the top of the list.

"Code Coordinators need their full and visible support. For those in top management reading this, ask yourself, does everyone in your company know and understand how important Responsible Distribution and safety is at your company and that your Code Coordinator is in a key position?"

One way that senior management has become more involved in the processes is taking part in a mandatory NACD U Responsible Distribution online course.

## INVALUABLE RESOURCES

Benning says that these NACD U courses are an excellent way for members to access training materials for Responsible Distribution.

"Many of our companies have less than 100 employees and smaller companies often have fewer resources available themselves. That is why NACD has made the NACD U online courses available at a minimal cost."

"Most of the Mentor services are free to members; it is good for them to know that there is someone that can come and help.

"At the August ChemEdge conference and tradeshow, we had a mentoring session so that members could discuss specific issues with us. They also had questions, such as 'Where is the data available on the website to help us? How do we carry out internal audits successfully? How do we look at corrective actions from past internal audits?'"

Benning suggests that Responsible Distribution Code Coordinators take advantage of the Responsible Distribution workshops. He was also quick to praise the networking advantages that NACD members have. "Network and learn from one other as nobody wants another company to fail with Responsible Distribution. It is our reputation at stake."

The 7th cycle of Responsible Distribution will begin in January 2020 and although there are not significant changes to the set of specifications, Benning knows this will be a challenging time for members as the industry is expecting more examples of evidence demonstrated by the membership.

Benning's goals are to:

- Help new companies develop their Responsible Distribution program.

- Assist new Code Coordinators with a deeper understanding of the expectations of the verification process.

- Give Code Coordinators at those companies that have more established Responsible Distribution programs a focus on continuous improvement.

Benning says that for the rest of this year, he will work closely with Kutz. His goal for the start of the 7th cycle, is to introduce himself to as many Code Coordinators as possible.

"I am an extrovert and I hope that makes me approachable. I love our industry and look forward to learning and helping others. I really want our members to improve their Responsible Distribution program and help take the mystery out for new companies coming on board. Nothing would make me feel better than to get a call from a Code Coordinator saying 'hi' and asking a question or seeking my advice." ■

**For more information on the Mentor program, contact Mike Lang, vice president, Responsible Distribution at [mlang@nacd.com](mailto:mlang@nacd.com)**

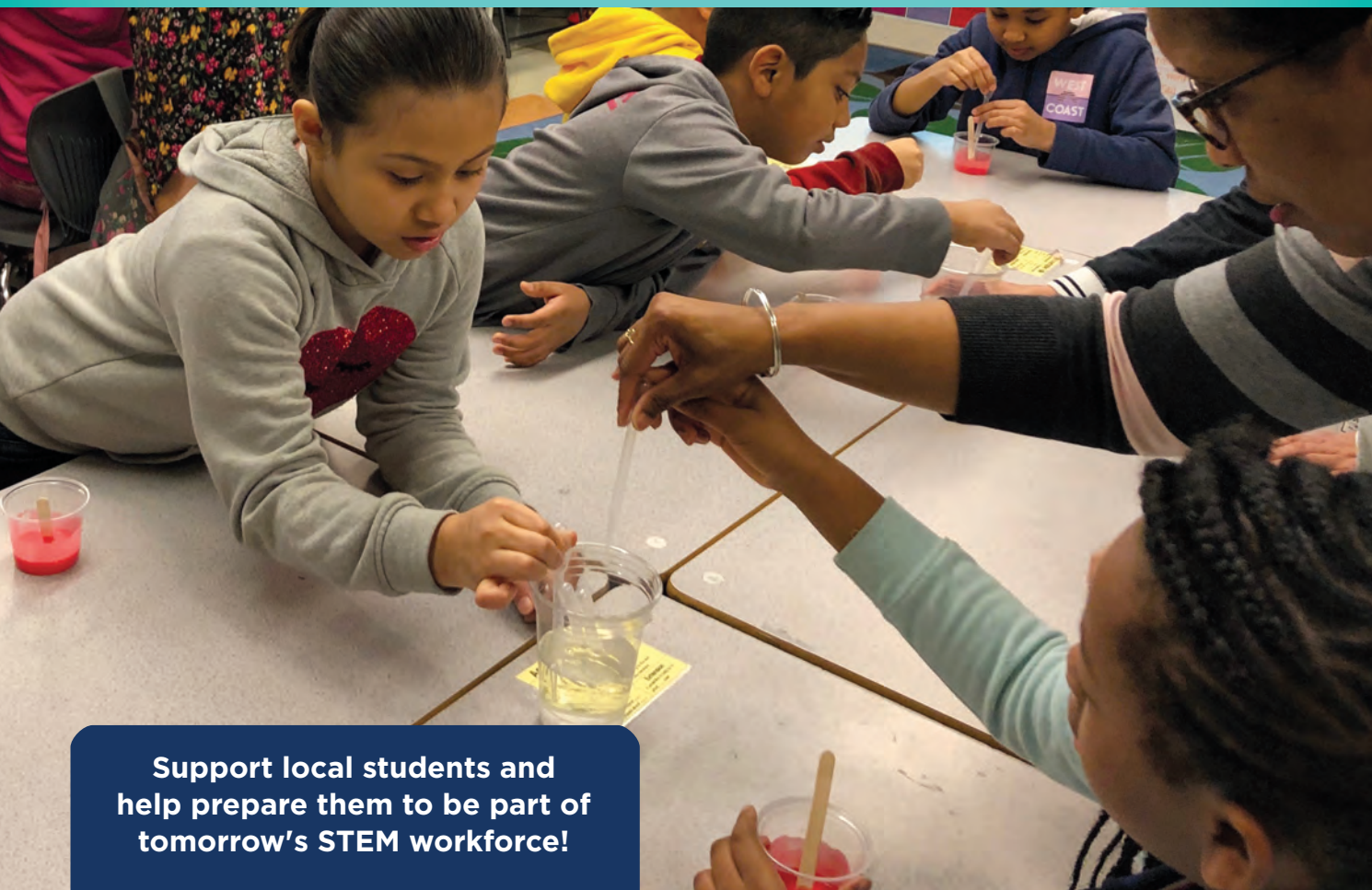
NACD often highlights the efforts of its members and their positive contribution to the industry – and this is your chance to share your achievements, thoughts and experiences. Each issue, this will be your forum. We want to hear about your experiences as a Code Coordinator. If you or one of your colleagues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





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