

PASHA PEOPLE



Pasha People
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Our name stands behind every move™

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In its most basic format, relocation is defined as 'the transfer of people or property from one place to another.' That's the process. How it actually happens, however, is another story, and one that Pasha's Relocation Services group happens to tell rather well.

Already well-known for its automotive and maritime service capabilities, The Pasha Group added to its repertoire when it branched into the global movement of military household goods and baggage for the Department of Defense in 1980. With offices in Europe and Asia, and a worldwide network of agents, Pasha soon moved into commercial freight forwarding, international project cargoes and worldwide corporate relocation.

In 1983, Relocation Services was formally established as a Pasha company division to deliver the highest level of workable and affordable logistics solutions, with innovative approaches that translate into added value, and more satisfied customers. With the Pasha structure as support, Relocation Services entered into the industry with the fundamental qualities most organizations take years to develop – proven integrity, a high-performance reputation, industry-wide respect and the resources to remain on the front edge of the technology and information system revolution. This strong starting point gave Relocation Services the freedom to concentrate on leveraging their core competencies and building expertise to address the complex logistics challenges faced by our customers.

Twenty-five years later Pasha's Relocation Services is one of the largest and fastest-growing components of The Pasha Group. Valued customers include major aerospace, consumer supply and defense contracting multinationals, as well as U.S. civilian government agencies and the Department of Defense through direct contracting and third party relationships with our industry customers and partners. Recent realignment of our Relocation Services management has produced an even more energized and capable team highly focused on the combined needs of our commercial and government customers.

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Investing In Quality



Investing In Quality

Continued from cover

Substantial investments in people and technology continue to play a major role in our forward thinking, while maintaining the quality that is the backbone of our heritage. Today we stand ready to invest in all of our assets, both physical and intangible, to take advantage of future opportunities. And as we invest, we expect a return in the form of productivity increases, cost reductions and growth in locations and services.

So what do we do today to be more effective tomorrow? One of Pasha's strengths is the readiness to embrace change and recognize new opportunities that bring new value to the organization, our people and, most importantly, to our customers. Excellence in quality of service and innovation to meet their needs will always be our prerequisite for reaching higher.



Relocation Services celebrates 25 years!

Byte by Byte

Systems. Processes. Supply Chain. Household Goods. Customers. Just a few of the terms regularly passed around the halls of the Pasha IT Services Department these days. Often, corporate IT reputations revolve around support; i.e., Help Desks, rather than digging into industry customized software development, detailed business analysis and streamlining processes. Not so at Pasha, where the importance of bringing in-house programmers and analysts together with Relocation Services stakeholders is a business mantra. The goal is to create innovative business solutions for end-users and customers, maximize efficiencies, and heighten customer satisfaction. That is why Pasha fully staffs highly qualified IT leaders, business analysts and programmers with transportation experience and a toolbox full of .net technology to team with Relocation Services leaders for innovation and efficiencies. 2008 was a year of innovation as we ushered in the new developments highlighted below. 2009 will continue the trend with further enhancement of our centralized international operating systems to support the vital needs of both our Government and Corporate customers.

Finding Efficiencies with the Defense Personal Property System

Families First introduces technology requirements that are changing the game for communication between suppliers, personal property shipping offices, and relocating Service Members. Proactively designed to ensure Service Members have in-transit visibility and that program management officers have total supply chain visibility, DPS requires — for the first time ever — that suppliers continually update status for move events from packing through delivery. Assurances have been given that future enhancements will include true EDI capabilities in order to foster accurate and timely updates, eliminating the need for suppliers to duplicate data entry, as well as overseas agents access to act on behalf of their U.S. suppliers.

In the interim, the initial start-up will present definite challenges requiring creative solutions to minimize preliminary shortfalls. To support our TSP customers and to maximize our own efficiency, Pasha has collaborated with Enterprise Database Corporation to provide an affordable, secure and automated "EDI-like" solution for DPS data exchange. Using pioneering data-matching technology, this customized solution quickly synchronizes data from shipment award in DPS and delivers it to local service agents. The agents then can promptly contact Service Members to initiate their moves. As the move progresses, Pasha customers receive the same status updates they do now, with the added benefit of instant transfer to DPS. Department of Defense shipping offices also receive real-time communication for authorizations and status notification. Pasha is happy to support our customers with innovative solutions that bring program efficiencies and increased quality to the defenders of our country.

Apples to Apples Pricing and Best Value Comparison - Finally!

Corporate relocation professionals tell us that a move is ultimately successful when their relocated employee can focus on the new job with as few unexpected distractions as possible. That means the transferring family is safely and comfortably situated in their new home within the expected time frame and service guarantees. But for long-term program success, even more is needed.

Choosing best value service providers for each situation and overall program cost containment is essential — and technology enabled procurement tools would help greatly. Online visibility to a range of pricing options that account for combined in-transit costs of temporary housing costs and transportation can cut hours of analysis and eliminate cost

disparities between budgeted to final costs. Pasha listened and met this challenge for a truly revolutionary relocation pricing solution by choosing to apply the same innovative web technology that gives us all greater visibility to travel choices today.

Through proprietary web-based e-procurement applications marketed under our Pasha MoveMetric™ brand, comparison of the most cost-effective service providers within a given international or domestic traffic lane and transportation mode is now available. Additionally, 'real time' performance-ranking statistics, claims statistics, and transit times for multiple carriers are taken into account for a 'best value' selection. Better yet, this can then be further tailored to meet our customers' specific requirements. The system incorporates quality guarantees by pre-qualified network service providers to ensure they

will fully execute moves in accordance with the needs of our customers and their transferees. For inter- and intra-state U.S. moves, the quantity and variety of qualified network service providers ensure the most competitive pricing option. This might include traditional padded van, or innovative alternatives such as containerized movement to avoid costly storage handling or to expedite transit time for smaller shipments. Pasha MoveMetric™ turns diverse tariffs and service agreements into 'apples to apples' data for choosing the best-qualified provider in minutes. With dissolution by the Surface Transportation Board of the Household Goods Carriers Bureau Tariff 400N, and the new requirement for individual tariffs from each mover, this visibility is more important than ever. Technology and innovation are two of Pasha's hallmarks. MoveMetric™ combines both in service enhancements for our customers.

VISION

Remaining ahead of the curve in synergizing technology is essential. At Pasha, stakeholder steering committees identify needs and carefully-followed project road maps lead to success.

ACTION ANALYSIS AND DEVELOPMENT

Demystifying operational definitions, staff interviews and, side-by-side shadowing, assist in logical process design. Unearthing redundancies, unnecessary decision points and bottlenecks identify efficiencies that allow programmers using the most up-to-date techniques to turn ideas into actions on the screen for end users who can now work smarter, not harder.

CUSTOMERS

Freight details are what fill Pasha's database. However, we never forget that those details belong to relocating family members intent on performing their best in new locations as our nation's defenders and in the world of multinational commerce. Our technology serves one purpose: superior customer service through satisfaction. Without our customers, there would be no end-user monitoring freight, no developers programming automated solutions, no analysts translating business needs, and no leaders guiding and facilitating innovation.

Enhancing Performance



Listening To Our Customers

Celebrating one full year of service on October 1, 2008, Pasha Quality Assurance Services has successfully launched a Full Replacement Value (FRV) claim management program in support of the Department of Defense FRV requirements. Our service offering is inclusive of loss coverage and global claims settlement for our Transportation Service Provider customers participating in the Department of Defense personal property program.

Our ultimate goal is to provide the highest level of responsiveness to all Service Members, while assisting our TSP customers to meet and exceed all FRV program objectives. The most unique feature of our service is advocating on behalf of our TSP clients and quick-settling claims directly with the service member, eliminating unnecessary paperwork and delay with the goal of leaving the customer with a favorable impression of his or her move in spite of possible loss / damage of some of their prized possessions. By the most important standard of all, we have accomplished this goal. We are regularly heartened by positive comments from Service Members such as the following:

"Once again, my sincere thanks to you for staying on top of your game on this matter and appreciate your passion and professionalism."

"Thank you for all your assistance on this. Very professional work on your part."

"Thanks for keeping up with all the different repair companies and keeping us informed. We really enjoyed working with you. You made this claim as smooth as possible."

"Thanks for the rapid response and settlement. We had heard horror stories about making claims from other service members, but you guys have been spot on."

"I would like to thank you for the time and effort you put in regarding my claim. You were always available, helpful, and friendly; stark contrasts to my previous issues with damages incurred during moves. Thanks so much for your help!"

"Thank you for all your help and cooperation. This is the first positive experience I have ever had with filing a claim for reimbursement."

"Thanks for the quick reply and action on the claim. It's not common to get this kind of service these days!"

"Claim has been processed and was in my account. Thank you for all your assistance on this. Very professional work."

"Regarding my furniture inspection, thank you! I was skeptical of the new system, but you are also very efficient. Sign me, a 'Very Satisfied Customer.'"

Pasha's Quality Assurance Services team is based in Reno, Nevada. Together with quality managers at key overseas locations and our worldwide agents, they reach out to Service Members upon delivery to ensure prompt claims review and settlement. Using the connectivity tools of our worldwide network, potential claims are noted within 24 hours of delivery and outreach begins immediately. Whenever possible, a quick claims settlement is offered within five days. For more involved claims, we use local surveyors to assess damage and work with customers for repair or replacement as necessary. In our business, we equate customer service with Quality. Our Service Members deserve no less.

Apples to Apples

A recent interview with one of our Fortune 500® customers, a scientific, engineering, innovation and technology applications company with over 40,000 employees across the country and around the world with annual revenues of \$10 billion:

From a procurement perspective, why is the development of a personal relationship with suppliers important?

You need to work closely with each other while developing new processes and becoming more effective. You can discuss the challenges you are facing with your internal customers so your suppliers can offer suggestions, provide best-in-practice examples, or provide ideas to help streamline the process. Also it's the relationship itself. It's a give and take. For example, occasionally we may ask for a certain effort to be 'above and beyond' and that personal relationship helps in fostering good working relationship and mutual objectives.

In the perfect world, how can technology enhance your global relocation program?

When we relocate executives we need to provide immediate status to our management and present reporting documentation and/or metrics. Access is everything. Technology capabilities are now hand-in-hand with service levels. Historically, service level evaluations were obtained by mailed surveys after the fact. Now surveys are submitted in real time and the information is used to act immediately. This is such a vast improvement it has become a necessity.

Is the speed of obtaining pricing information for quicker decision-making purposes important?

Oh, it's pretty much mandatory. You need to have pricing at hand as quickly as possible. There is a lot of demand for budgeting purposes in terms of trying to make relocation offers to key personnel and make sound decisions. Those are critical factors. I'm running into that right now on my domestic side. The industry is changing. Costs are escalating which significantly affect the total cost picture. The inflation rate is kicking in as well.

How do you equate cost savings to standards of service?

My goal is: can we obtain a savings within an expected percentage rate, within the value of set service standards? We do expect high service levels and have high expectations of our providers. It's really a balance game. If a move process went very well from the eyes of my internal customers then that's a win. However, if I get a great cost savings at the front end, but my internal customer is not happy because of service delivery issues or claims issues, then I'm losing.

Your internal customers have challenges every day when placing people around the globe. How does this impact your daily procurement responsibilities and long term objectives?

Well, my internal customers may have budgetary requirements, or a time constraint challenge. If, obviously, we have picked the right provider with the right technologies and service capabilities it levels out and reduces the amount of time I spend dealing with this type of fire drill that takes me away from being able to work in other areas. These are strategic objectives that I really need to spend most of my efforts on each and every day.

Why are Single Factor Rates (SFR's) - national and international - so important?

Because we have so many diverse customers, or internal clients, and because we are a publically traded company, we really are driven to protect the bottom line. Before authorizing the new hire or moving a key employee, management wants an accurate assessment, quickly, of the household goods relocation total cost for that employee so it can be combined with the compensation package. Thus, a single factor rate structure is becoming more and more important. Simplicity is key. I would like to see a single factor rate for my internal customers so they know it's X dollars to move from point A to point B. This is the cost of the move, everything is covered upfront.

How should your suppliers contribute in terms of supporting your program expenditures?

I expect to negotiate a competitive rate for the services we are purchasing. However, within these competitive rates and within this working relationship, my providers must demonstrate what they are doing to continuously improve: cost reductions; efficiencies; and innovation are all of interest. We are going to help support every dollar reduction they are able to achieve through process or innovation, which will ultimately result in both of us sharing that savings and enhancing our business relationship.

What are important advantages of a centralized household goods transportation process?

Continuity is the first thing. With a centralized process you, as a company, would have confidence that you have a high degree of compliance within the organization in terms of service delivery, policy enforcement, and a uniform process. You have a high level of assurance that everything is being adhered to throughout the organization and that no surprises arise. Centralization offers uniformity and a simple understanding of policy. Uniformity is key.

What are the most effective programs to monitor quality and manage costs?

Programs where we have metrics established with the supplier, such as Service Level Agreements (SLA). The supplier conducts continuous self-monitoring or measurement with timely information back to us on a continuous basis. We are both able to see where they are exceeding the requirements initially established, and identify any area within the overall process that is not meeting expectations.

If there was anything you could change in the household goods industry, what would it be?

Well, that's a tough one, but the word that comes into my mind immediately is clarity. I mean using a model where you are able to see instantly all the cost elements, who all your service providers were, and in such a fashion that you could easily see what your total costs were and be able to measure 'apples to apples' across the board for a very simple decision making process. You could potentially even program the system so that it would be able to select the best package or service at a particular point in time for a particular route or a particular service requirement. The changes in the domestic tariff structure add a level of complexity that's going to make it very difficult and challenging for corporations to equate the total cost of moving a family from A to B. If I'm moving a couple of hundred or even 1,200 or 1,500 employees, what am I really looking at for my budgeted spend? How am I able to control or not able to control it? So those are factors that to me would be very, very important and very critical in trying to select the right provider.

One dictionary definition of "Family" is "Two or more people who share goals and values, and have long-term commitments to one another." Combine that with "First," an adjective defined as "Coming before all others." In a nutshell you have the reason Pasha Relocation Services has invested so heavily in supporting the Government's quality door-to-door household goods program, titled "Families First," and why we believe in meeting the program's goals. As the program's Defense Personal Property System (DPS) approaches going "live," we share a treatise on how Pasha is working hand-in-hand with the Military Surface Deployment and Distribution Command (SDDC) and with our Transportation Service Providers (TSP) to make sure that taking care of our "Family" of military shippers is our "First" priority.

The Families First program is designed to bring commercial standards of quality to our military shippers; to take care of their needs, relieve them of any burdens related to moving their personal effects, to move their belongings on time, and handle their prized possessions with caution and care. The household goods industry and SDDC have been working toward these goals for well over a decade. Why is it taking so long to accomplish the goals? Cost is certainly an issue. "Quality" and "inexpensive" are sometimes contradictory terms. Fear is another factor. Some smaller TSPs may have concerns about meeting new and increased program requirements while some large TSPs are concerned they will lose business when price advantage alone no longer determines market share. Ultimately, creative and resourceful companies of all sizes will meet the challenges to compete successfully.

Reasons to Celebrate

So where does that leave us now? Our industry has made great strides toward accomplishing the goals of satisfying our military shippers and making them our number one priority. We need to celebrate that they now receive full replacement value protection for damaged or missing items. Not only are they being more fully compensated for loss and damage, but their goods are being better protected to keep insurance costs low. Quality Assurance personnel

are on site at origin to ensure the goods are properly protected for the upcoming move. And Quality personnel are available again at destination to monitor services and to settle any claim issues quickly and fairly, immediately after delivery. This is a major contrast to past practices, where the result of claims processing was often not only less than satisfactory, but was long and tedious. In the end these new practices will increase accountability.

Are shippers happier with their moves than they were ten years ago? There may not be any scientific data available to answer this question, but it is evident that the TSPs are increasingly more concerned with providing a much higher level of quality service than the service levels delivered to the military shippers in past years. Shippers can now go online to find the status of their shipments, or call a toll-free number 24 hours a day to get real-time information about their move. And it is certainly advantageous for the Service Member to have the ability to negotiate the terms of his move with his TSP rather than have a computer system or person dictate the terms of his move, such as when it will be picked up at origin or delivered at destination. Additionally, for the first time, the Service Members have a voice in rating performance levels through the online customer satisfaction survey report. These reports, along with claims statistics, result in 70% of the TSPs "best value" score and future awards.

Meeting the Challenges

Yes, service is the number one priority, but we do not deny that cost is an important component in the Families First program. Cost is still 30% of the equation for success in acquiring business in Families First, and an even greater component in the success of the TSP industry. Our objective at The Pasha Group is to provide the best tools and transportation services for our TSPs to successfully meet their goals

of satisfying their customers while participating successfully and profitably in the Families First Program.

To meet this challenge, Pasha has joined our TSPs and SDDC in making major investments and important modifications to achieve the common goals. These incorporate strengthening our personnel resources, including highly respected industry professionals as additions to our management teams in the U.S., Asia and Europe. We have refocused and enhanced our IT staff in order to update our systems so they are compatible with those of the military and our customers. And last, but not least, we have acquired major physical assets, including our Jean Anne Roll-On/Roll-off vessel, port and trucking operations, as well as other physical operations around the globe, all of which are necessary to make ourselves and our business partners successful, and our Armed Forces customers truly recognized as "Families First." We look forward to successful implementation of this new era of quality-focused services for our Armed Forces customers and will be there every step of the way to meet the challenges, present and future.

