

THE Barrett Bugle

News and information for
and about the customers
and employees of Barrett
Distribution Centers

October 2005

CUSTOMER SPOTLIGHT

Lenbrook America

BY CHUCK COLLINS, OPERATIONS MANAGER

Lenbrook has been distributing high-end audio components in the United States for over ten years. Bob Brown, U.S. president, joined forces with the Canadian electronics distributor, Lenbrook Industries, to start Lenbrook America in 1995. At that time, Lenbrook Industries was seeking a partner to distribute its PSB brand of speakers in the U.S.—and they tapped Bob Brown, a recognized leader in the industry.

Lenbrook America now handles the distribution of two highly acclaimed product lines, the NAD line of electronics and the PSB line of speakers. The NAD product line includes stereo-power amplifiers, pre-amplifiers, integrated amplifiers, AV receivers, stereo receivers, and DVD/CD players. They even have a turntable in their product line for those folks who still cherish their vinyl!

Both NAD and PSB are value-priced for high-end product lines. "The typical consumer looking at these products wants something better than can be found at a Circuit City or Best Buy, but

doesn't necessarily want to pay top dollar for their system. We represent a very good value play in this arena," says Brown.

Greg Bielski, the company's CFO, and Stacey Kerek, the company's General Manager, manage the day-to-day relationship with Barrett. Lenbrook's orders are electronically transmitted to Barrett from their Canadian headquarters several times a day. A team of

"This process has dramatically decreased the amount of time we spend invoicing our customers while at the same time increasing the accuracy of the invoicing."

—Greg Bielski, Lenbrook CFO

sales representatives and technical support personnel solely dedicated to Lenbrook America work out of Lenbrook's Pickering, Ontario office. These employees process all of the company's orders and handle all customer service and technical support issues.

Timely and accurate order fulfillment is especially critical to Lenbrook's customers. Many of these orders are pre-sold for construction and remodeling. Because of the high price tag of these items, Lenbrook's dealers purchase for *order*, not for *stock*. Shipments are often scheduled for installation within a tight delivery window. "Barrett is able to ship all orders trans-

mitted to them by 2:30 the same day the order is received. They are also able to handle 'rush' exceptions transmitted after 2:30. This provides us with the quick order turnaround time our customers have come to expect from Lenbrook America," says Stacey Kerek.

Greg Bielski commented, "Because of the value of our product we needed

a warehousing and order fulfillment company where we would receive both accurate order fulfillment along with proper safeguards for

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PSB loudspeakers have earned an international reputation as one of the most accurate, natural, and balanced reproducers of musical sound you can buy.

NEW CUSTOMER PROFILE

Barrett partners with General Mills

BY MARK SOTIR, DIRECTOR OF CUSTOMER RELATIONS

We are excited to announce that General Mills is a new client in our Mansfield facility. Barrett will be receiving boxcars of flour via rail, storing the product, and then shipping to various food service distributors and end-customers throughout the northeast. General Mills will utilize Barrett's transportation program to deliver their product to these regionally based customers.

Like Barrett Distribution Centers, General Mills has very stringent sanitation standards. To qualify for consideration as a partner, a team of quality and sanitation engineers scrutinized our facilities. They arrived without notice and spent one entire day with the Mansfield team, evaluating both our facility and our written processes and procedures.

Barrett adheres to The American Institute of Baking (AIB) standards, and has earned a

superior rating from the AIB audits. As an ISO 9001:2000 Registered service provider, we impressed the General Mills team with our documented policies, procedures and operations manuals. Our commitment to quality was the deciding factor in General Mills awarding their business to Barrett Distribution Centers.

Barrett looks forward to a long relationship with General Mills and is proud to add them to our impressive roster of clients. 🇺🇸

is right
around
the

Retirement Corner

BY ARTHUR BARRETT, PRESIDENT

We had a very successful 401k enrollment drive in July. We hope to surpass these results with each successive enrollment date. Some highlights from that drive:

- Einstein once commented that the power of compound earnings is the most powerful force in the world. We illustrated the power of starting your retirement savings early; this compelling argument was perhaps the most influential in the successful enrollment campaign.
- 10 of 18 newly eligible employees enrolled in our 401k
- 50% of previously enrolled participants increased their contribution to 6% in order to maximize the company match (congratulations to these einsteins!)

Overall, our group average is 4.84% contribution, compared to the industry average contribution of 6.4% of pay. If you are contributing less than 5%, we would really like to see you step up to 5 or even 6 percent. Participating at any level is commendable; but participating at less than 6% is foregoing a raise to yourself. I will emphasize this point again at our next enrollment meeting.

Some highlights of our group plan, overall:

- 81.3% of our employees participate in the 401k, compared to an industry average of 57.9%
- Our best participation rate is among employees age 30-39, which is over 90%
- As of 8/31/05, our employees collectively have \$1.5 million of savings in the Principal retirement plan! This compares to \$1.2 million at 12/31/04, and \$900,000 at 12/31/03. Congratulations on this remarkable achievement!
- On average, the equity (stock) funds in our retirement plan have historically yielded 10-11% annualized returns. We also offer conservative investment choices such as money market and bond investments. We have proactively reviewed the funds in our plan, and swapped some underperforming funds for more favorable selections.
- We recently changed to 4 enrollment dates per year, to make it easier for new and existing employees to enter the plan. Enrollment dates are now Jan 1, April 1, July 1, and October 1 each year.
- The Principal web site is a great resource for learning more about our plan, your investment choices, and your individual account performance. In 2004, we had 35 of our employees log onto the Principal web site a total of 300 sessions! ➔

If you want more information about the Principal, about our plan, or about saving for retirement in general, go to www.principal.com or contact me directly at abarrett@barrettdistribution.com

Working together to reduce transportation costs

BY SHANNON SHIPPEE, TRANSPORTATION COORDINATOR

The fuel surcharge (FSC) has been accepted practice in the transportation industry for decades. In the 1980's and 1990's FSC was typically a short-term measure to help carriers through a temporary spike in the cost of fuel. A typical FSC in those days was 1-2%. Today the FSC is a fixed strategy, resulting in a substantial increase in the cost of transportation. The effect on the price of goods is now of material significance.

As both a purchaser and seller of transportation services, Barrett is developing strategies to reduce transportation expenses for our clients. These strategies include:

- partnering with a smaller group of select carriers so that we have the scale to make strategic

decisions together

- helping our partner carriers fill their deficient lanes, to take advantage of lower pricing based on excess capacity to that destination for that particular carrier
- working with these carriers on continuous runs—to bring loads into our locations and then load them back out with shipments so they are more efficient and cost less for our clients



- faster turns for their equipment at our docks to ensure that Barrett is considered to be easy to do business with—in a tight market for transportation resources we will be able to secure transportation capacity when others cannot

Our goal is to decrease transportation costs in these times of increasing fuel costs by exploring new opportunities, and passing these savings on to our clients. ➔

"The ma
formula
successf
business
discover
treat cus
like gue
employe
people"
—Thom

Best Buy extends partnership with Barrett

BY KEVIN MORAN, OPERATIONS MANAGER

For the past year, Best Buy had been examining its distribution model and strongly considered consolidating our warehouse operations into one of their own facilities. Our Mansfield operation would have transitioned from a full-service Delivery Distribution Center (DDC) to a strategic cross-dock. After further scrutiny and analysis, Best Buy came to the conclusion that continuing their present partnership with Barrett running a northeast DDC is a better solution. Our inventory accuracy and customer satisfaction scores weighed heavily in their decision.

Shortly following the announcement to maintain the DDC, Barrett employees demonstrated their commitment to customer satisfaction by successfully supporting the second annual tax-free weekend in Massachusetts. This strategy is the brainchild of the Governor's office, designed to stimulate the Massachusetts economy. Governor Romney himself was prominently photographed shopping at the Best Buy

store near Fenway Park. While the tax incentive is great for retail sales, the spike in sales puts a significant strain on the home delivery operation.

In recognition of the commitment of the warehouse and customer service staff to this successful promotion, Best Buy provided a catered lunch for all of our employees. Best Buy also provided shirts to all associates in the warehouse to kick-off our renewed partnership and commitment to providing the highest level of service to Best Buy's stores and home delivery customers.

These meaningful recognitions from Best Buy really embolden us to the Best Buy culture, and strengthen our commitment to their customers' satisfaction. ➔



Learning for better understanding

BY PEE JAY LAURETA, MANSFIELD WAREHOUSE

Barrett employees were offered English as a Second Language (ESL) classes beginning in June. The classes were in both the Mansfield and Franklin locations. The class met once a week for two hours. There were different sessions depending on the level of each person. There were nine employees in my class, including Jose A., Jose M., J.J., Jean, Bonnie, Francisco, Jose Timas, and Elsie. The event was very encouraging to everybody, especially myself. In the class I learned to interact with others, as well as safety skills. The primary purpose was to develop better language skills to better understand others.



Pee Jay was encouraged by the ESL classes that were offered last June.

Our instructors were very expressive and open to many topics of discussion including safety issues which I found extremely helpful. We are fortunate to have had this opportunity at work. 🇺🇸

Join Jason and kick the habit!

BY LINDA SKRZAT, BEST BUY MANSFIELD

Smokers are most successful in kicking the habit when using some external means of support—such as the encouragement of family and friends. With this in mind, we hope that smoking employees in the Barrett organization will join together for the Great American Smokeout, and make this the first day of a life without tobacco. The Great American Smokeout takes place on Thursday, November 17th, one week before Thanksgiving.



We hope the only smoke Jason sees from now on is from his birthday candles!

Barrett Distribution Centers, in partnership with Harvard Pilgrim Health Care, sponsored a smoking cessation program for our employees in August. Jason Whittaker, a Barrett employee, is an advocate for the program. He says "The initial results were great. It worked so well it was scary. However, I did start smoking again after one week because I stopped doing the homework. I was supposed to listen to the tape twice daily for a three week period, and I got away from this habit. I underestimated the importance of the self treatment plan following the initial session."

If you do smoke, we hope you will join Jason and millions of other Americans who will use the Great American Smokeout to kick the habit! 🇺🇸

The American Cancer Society offers programs to help in your attempt to quit. You can call 1-800-ACS-2345 for more information.

Lenbrook, *continued from page one*

our inventory. Our speaker inventory can be a bit tricky as we sell some models in pairs and some models in singles. Some of the models we sell in pairs come packaged two speakers to a box, while others are packaged one speaker per box. Similarly we have models that we sell as singles that come master packaged with three or six speakers in a master carton. Barrett has done a great job of coming to understand our product line, how we sell it and how it is packaged, and we've had very little in the way of order fulfillment errors or inventory variances. Barrett also provides us with an electronic file each

morning that contains all the details, including all serial numbers, for orders shipped the previous day. We pull this information into our system for invoicing purposes. This process has dramatically decreased the amount of time we spend invoicing our customers while at the same time increasing the accuracy of the invoicing.

"Barrett Distribution has done a terrific job of handling our order fulfillment and warehousing needs. They are a true business partner who understands our needs and are working hand-in-hand with us in an effort to satisfy our customers and help our business continue to grow". 🇺🇸

Happy Birthday!

OCTOBER

- Tom Shiels
- Antonio Lopes
- Patrick O'Malley
- JJ Deandrade
- Thao Xuan Do
- Thao Ngoc Do
- Diane Alfred
- Deny Corrales
- Gabriel Rosa

NOVEMBER

- Jose Soto
- Dennis Almeida
- Jose Medina
- Tomas Burgos
- Carol Silvia
- John Pesta
- Salomon Flores
- Ernestino Tornez
- Jose Nunez

DECEMBER

- Justin Bonenfant
- Jonathan Burke
- Hugo Moreno
- Kevin Moran
- Denise Canal
- Linda Skrzat
- Sharon Pachak
- Edwin Molina
- Theresa Zerrien
- Thomas Lemoine
- Johneth Santangelo



Happy Anniversary!

Congratulations to the following employees who reach a milestone with Barrett this quarter:

- Jose Timas • 11 year
- Roseanne Morris • 10 year
- Kevin Rich • 10 year
- Sal Zitano • 8 year
- Robert Fay • 7 year
- Gaby Flores • 7 year
- Edy Molina • 7 year
- J.J. Deandrade • 6 year
- Pee Jay Laureta • 6 year
- Dennis Almeida • 6 year
- Jose Araujo • 5 year
- Jose Soto • 5 year
- Michelle Sicard • 3 year
- Melissa Hogg • 2 year
- Thomas Shiels • 1 year
- Thomas Maloney • 1 year
- Dennis Warmington • 1 year
- John Fynn • 1 year
- Christopher Damso • 1 year
- Salomon Flores • 1 year

Welcome to the Team!

A big welcome to all those who joined the Barrett team in the third quarter:

Franklin Warehouse Supervisor

Matthew Trainor

Franklin Customer Service

Theresa Zerrien

Franklin Warehouse

William Ketchen, Luis A. Blanco

Mansfield Warehouse

Justin Bonenfant

Best Buy Warehouse

Jose Nunez

Tivoli Carts

Franco Valverde



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kudos!

“You guys are great! On our recent visit, our client was very impressed with your whole organization and your operating methods. Your professionalism, integrity, and work ethic were clearly evident and further enhanced the DeWolf image. We are thankful to be associated with your organization.”

Gretchen Anthony
Principal, DeWolf Chemical, Inc.

“Dear Michelle, Bob and Barrett Staff, We would like to thank you for doing such a wonderful job and we are extremely pleased with Barrett’s professionalism. We are anticipating that this company is going to be growing very quickly and we are glad that Barrett’s part of our team. Keep up the good work!”

Marie Thomas
Sampar

“Jason Whittaker’s strong work ethic has allowed him to be successful on implementing electronic data interchange (EDI) for some of our major customers. This has been a large and complex task, and Jason has really taken on the challenge. Jason continues to be a valuable asset for Barrett.”

Tom Shiels
Director of Customer Integration
Barrett Distribution Centers

“Thank you Chris and Tom for your careful attention and eye for detail in shipping our very important trade show booth to our big show. We appreciate it!”

Brad White
President, Midnight Pass Inc.

thank you!

“A simple ‘thank you’ inadequately expresses my gratitude for the kindness of my friends and colleagues at Barrett; but I can’t think of any other way to tell all of you how much your thoughts and kindness meant to me when I was hospitalized earlier this year. Without your prayers and expressions of support, I would never have gotten back on my feet as quickly as I did. I am truly blessed to be associated with and to call everyone in the Barrett organization my friend.”

Rose Anne Morris

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