



## Pacific Northwest Economy Rebounding

*United Warehouse Going Strong and Trending Upward in New Sectors*

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*The Distribution Centers of America ([www.teamdca.com](http://www.teamdca.com)), publishes a regular series of spotlights on its sixteen member companies, each a 'best-in-class' 3PL providing regional services, and together providing national warehousing and transportation services strategically located throughout the US. The following article highlights insights and trends in the Pacific Northwest market, drawn from an interview with Mitch Sullivan, VP of Business Development for United Warehouses, Inc., the DCA member company located in Seattle, WA and providing service throughout the PNW. United Warehouses President Tom Herche is currently serving as Chairman of the International Warehouse Logistics Association (IWLA).*

### Business is Good in the PNW – Economic Rebound Plus ‘Gorilla’ Growth

Overall, business is pretty good right now in the Pacific Northwest, with the Seattle, WA and Boise, Idaho areas particularly strong and Portland, OR lagging a little behind. The Seattle area boom reflects both general economic recovery and the highly positive impact of massive growth by local industry ‘gorillas,’ such as Amazon, Boeing, and Microsoft. Amazon now has a number of distribution (DCs) in the area.



### Amazon, Costco Demand Means Growth for United Warehouses, Inc.

United Warehouses, Inc., Distribution Centers of America (DCA)'s member company for the region is growing in lockstep with the burgeoning market, supporting a number of the supplier companies to these giants. For example, United handles a large account which provides packaging materials used by Amazon for its fast-growing volume of shipments out to consumers throughout the United States. United brings in the bags, boxes and other packing materials from multiple suppliers and follows through with warehousing, delivery and transportation to them. United's team receives, breaks, sorts and delivers an array of foods and food ingredients from suppliers in Asia and

the US, and handles packaging and delivery to Costco, requiring strong relationships with both Costco and its importers.

## Trade to Alaska Growing Strong, Barge Freight Picking Up Fastest

United also serves the Alaska market which means receipt and handling of absolutely everything the people in the state require to live, from consumer goods to foods and furniture, cars and construction materials. Ten years ago, United acquired Alaska Traffic Company, which serves the Alaska market. The facility in Seattle receives freight from all over the world, consolidates shipments into containers for movement to Alaska via all major water carriers serving that state. They are doing quite well in volumes both on their fast steamship service as well as via barge, a slower but less expensive alternative preferred by many companies returning to their former strengths.



## West Coast Port Delays a Critical Issue for the Market

The biggest issue for anyone operating in the US West right now is the ongoing labor dispute at west coast ports. At the Ports of Seattle and Tacoma, where longshoremen have been operating without a contract since July, 2014, delays are a daily

United and its customers region. Most containers primarily to the Midwest, United operates six receiving between 25-30

**The port slowdown is wreaking havoc not only on inbound shipments, but with outbound shipment delays.**

occurrence, creating issues for as well as the entire industry and coming in from Asia move via rail, with stops for many in Seattle. warehouse facilities in Seattle, import containers every day. United

works day by day with the drayage companies to stay on top of what's coming in, and is grateful that so many retailers anticipated the issue and ordered in a great deal of product much earlier this year, to ensure inventory where needed for the most part.

Still, the port slowdown is wreaking havoc not only on inbound shipments, but with outbound shipment delays. Eastern Washington State is a big exporter of apples and wheat products, which are not getting loaded out to Asia and losing freshness everyday on the docks, with no end in sight.

## Finding Talent Also Critical Issue in Face of Market Growth

Another of the issues facing the Pacific Northwest, as the local economy rebounds, particularly in the city of Seattle, is that attracting and hiring the right people has become more critical than ever. – United has 150 Employees and is hiring in all areas, from warehouse personnel and clerical to truck drivers. The company was founded in 1948 as a warehouse company.



But when Tom Herche took over in 1974, he saw the additional business opportunity in handling the freight to and from the warehouse, and launched a sister trucking company: Herche Transfer. Today United operates 40 power units with 40 drivers running between Seattle and Portland to service warehouse customers on an outbound basis, handle pickups from United facilities and deliveries to the customers' customer.

## Growth in Organic Foods Market Driving United Warehouses Growth

United is hiring and growing, expanding in just the past eighteen months from four facilities to six in the burgeoning Seattle market. A good portion of that growth is driven by growth in the organic foods market. Take Nature's Path

Foods, produced in British Columbia, Canada, for example. When Nature's Path launched its organic cereal, five years ago, United handled its inventory of about 800 pallets of product in Seattle. Today United manages an inventory of more than 20,000 pallets for Nature's Path, servicing the entire United States and working with the growing company to define an appropriate network structure as volumes warrant a shift for local market management of inventories in major US markets.



## Major Brands Opening DCs, Turning to Pacific Northwest 3PLs

Because the Northwest economy is strong, more manufacturers are looking into directly entering the regional market which they've traditionally served from Reno, NV, California, or Denver, Co. Major national brands have been establishing local operations and distribution centers for the first time. And others are turning to 3PLs such as United Warehouse to open those operations for them, avoiding the expense of operating and staffing their own facility. United has picked up several new consumer goods customers in recent months.

## Demise of State Liquor Stores also a Boon to PNW 3PLs

In 2012, the state of Washington essentially got out of the business of selling alcohol – eliminating the laws around liquor permitted for sale only through state run stores. The legislation brought distributors and retailers, new to the State of Washington into business, which has also meant some new customers and business for United Warehouse, which has a solid reputation for excellence in the food and beverage sector.

For the most part, during the economic slowdown, companies involved in provision of basic staples such as food and grocery distribution, are not as impacted as businesses built around less essential items. United's concentration in these areas helped it weather the recession, and now the company enjoys incremental growth as liquor and cigarettes additionally grow in volume.

## Focus on the Fundamentals Every Day

Sometimes we get so wrapped up in day to day operations, United Warehouses' Mitch Sullivan likes to 'go back to the fundamentals:' "Playing great learning experience. go back to the back to fundamentals' the customers' needs are, possible cost to them. Focus

Focus on the fundamentals every day.

*Mitch Sullivan, VP Business Development*

**United Warehouses, Inc.**

sports growing up provided me with a When things went wrong, you would fundamentals. In this business, 'going means focusing day to day on what and providing those at the best on the fundamentals every day."

United Warehouse, Inc. is dedicated to providing the best possible service to its customers and to continuing its organic growth in the coming years. Look for more highlights and information at [www.unitedwarehouses.com](http://www.unitedwarehouses.com).

### About United Warehouses, Inc.

*United Warehouses is a third party logistics provider and public warehousing facility headquartered in Seattle,*



*Washington, specializing in distribution and logistics for the Northwest and the ports of Seattle, Portland, and Tacoma Washington. With a core competency of Public Warehousing, United operates more than 800,000 square feet of warehousing space in locations throughout Washington and Oregon that specialize in Food and Grocery Products, Tobacco, Electronics, Candy, Paper Products (rolls & forms), Medical Supplies and Misc. Consumer Goods storage. For more, please go to [www.unitedwarehouses.com](http://www.unitedwarehouses.com).*