

CEO LETTER: Realizing the Vision



As our team is heading towards the finish line on Sunland’s Destination 2018 growth plan we embarked on five years ago, it’s amazing to look back and reflect on what we’ve accomplished. Sunland has realized 100% growth since 2013. This is certainly something to be proud of, but what I would consider even more exciting, is how we are positioned for the next five years. Profits generated from recent growth have been invested right back into the company to make us better providers by fueling continuous improvement in these core areas:

People: To quote “Good to Great” author, Jim Collins, “we have the right people on the bus, in the right seats.” Sunland has been fortunate in successfully attracting some of the best talent in our industry to help lead our team into the future. From the quality of the people you meet on the floor at each of our sites to an executive team who is sincerely dedicated to servant leadership - a differentiator for us is our culture.

Process: With a high-performance team in place, the next critical component to our Sunland Management System is process leadership. Our 10 Deliverables for Process Leadership has been established to make sure our team understands how each customer defines quality and is performing to meet expectations in a safe, consistent, and efficient manner. With these fundamentals in place, we are able to then focus on advanced technology and innovation.

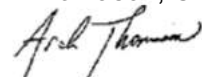
Technology: We have allocated a significant portion of our investments into advancing our systems capabilities. Sunland now has a top IT team, a tier1 Warehouse Management System, and has migrated fully to the cloud. These changes have not only greatly enhanced our ability to provide better visibility and flexibility for our customers, our stability and security is also stronger with an intelligence based anti-virus system. We have laid the foundation for a scalable platform ready to expand and adjust along with our customers’ needs.

Essentially, we have been “building the enterprise” and are now positioned to expand our service offerings into some new arenas for growth. We are currently starting up our first sequencing and sub-assembly operation in our North Charleston facility to support a major OEM. This is a new offering that requires our full listing of services with a heavy emphasis on quality, engineering, IT integration and operations excellence.

Thank you to all our customers who participated in our Customer Satisfaction Survey. With our Destination 2023 right around the corner, we will continue to improve based on the input we gather from the voice of our customers and adapt to the market changes brought on by the “Amazon effect”. With top talent, strong processes, and leading technology in place, Sunland has a scalable platform that I am confident will ensure our ability to become a more customer centric company, remain flexible, and stay dedicated to our customers’ evolving needs.

Enjoying the Journey,

Arch Thomason, CEO




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OPERATIONS UPDATE



Hari Sivaprakasam
Chief Operations Officer

I am excited to announce the rollout of our 10 Deliverables for Process Leadership initiative. This initiative will help us improve as a team, grow as individuals, and will affect almost every aspect of our operations. Over thirty people throughout the organization have been formed into 5 teams to lead the development and implementation of each Deliverable's charter and project timeline.

Essentially these teams are reassessing all of our current processes and working with all of our operations across our network to make improvements that will enable us to consistently deliver operations excellence and help our customers be successful.

The Sunland Management System



10 Deliverables for Process Leadership



I want to express my gratitude to the team members who have been working hard to advance this major initiative forward. Additionally, it's important for all of our associates to recognize that they are essential to our success. To achieve our goals, we need everyone's diverse talents, openness to change, focus on process discipline, and passion for providing world class customer service.

Ultimately, this initiative will strengthen our organization and is designed to generate the following outputs:

Mastering the 10 Deliverables for Process Leadership will ensure Sunland's foundation is solid as we launch towards Destination 2023 and scale from a regional to a national provider.



QUALITY MOMENT

The Power of Planning



As presented by Elijah Ray
w/ Meagen Kornacki &
DJ Horton of Michelin



A Successful Outsourced Shipper / 3PL Relationship Either Begins with Planning or Risks Ending in Failure



Elijah Ray
Chief Customer Officer

Successful outsourced relationships begin with effective planning. There are many great case studies of outsourced relationships that have evolved in to long term partnerships where there is mutual value. However, there are even more relationships that have experienced pitfalls and became a negative statistic in the history of outsourced relationships.

At the 2018 WERC Conference, Sunland's Elijah Ray had the opportunity to present some of the best practices he used to help ensure a strong relationship was established with Michelin as we partnered in launching a new 240,000 SF plant support operation in Tuscaloosa, AL.

To help ensure a new partnership is successful, here are some helpful tips to incorporate into your planning methodology:

Internal Preplanning

- Structure internal planning session
- Build the agenda for the planning session
- Prepare tools with customer data, i.e. SIPOC

Aligning with Customer in Advanced Quality Planning

- General expectations
- Organizational alignment
- Six Sigma Tools to define core processes
- Project planning tools
- KPIs & definitions
- Ongoing processes to manage relationship



The Value of Quality Planning:

- ✓ Team engaged and aligned on process details
- ✓ Identified opportunities within our system
- ✓ Allowed for changes to the plan due to unforeseen events

Helping our customers do what they do... better!

Lean Tip

Marks of a Good Listener

- Looks at me while I'm speaking
- Questions me to clarify what I'm saying
- Shows concern by asking about my feelings
- Repeats some things I say
- Doesn't rush me
- Is poised and emotionally controlled
- Responds with a nod, smile or a frown
- Pays close attention
- Doesn't interrupt me
- Keeps on the subject until I finish my thought



Source: Robert L. Montgomery, Listening Made Easy, 1981

SAFETY MOMENT

Heat Stroke



Who's at risk?



Signs & Symptoms



Prevention



SPECTRUM HEALTH

DID YOU KNOW?



Sunland Receives ISO-9001 Recertification Under New Standards

Sunland recently transitioned from the ISO9001:2008 standard to the 9001:2015 Standard. One of the biggest differences in the new standard is the adherence to the Plan Do Check Act (PDCA) methodology. We finished our audit with zero findings June 1st and received our upgrade notification July 16th.



HELP from HUMAN RESOURCES

Coaching



Diane Lowman
VP of Human Resources

The best leaders know how to build up their team so they are prepared and motivated to achieve their goals. But, effective coaching isn't as easy as giving a pep talk at the beginning of your shift meeting. In a Harvard Business Review article Monique Valcour provides some helpful insight on coaching the individuals on your team:

You Can't be a Great Manager if You're Not a Good Coach

"If your job involves leading others, the implications are clear: the most important thing you can do each day is to help your team members experience progress at meaningful work.

To do so, you must understand what drives each person, help build connections between each person's work and the organization's mission and strategic objectives, provide timely feedback, and help each person learn and grow on an ongoing basis. Regular communication around development — having coaching conversations — is essential."

<https://hbr.org/2014/07/you-cant-be-a-great-manager-if-youre-not-a-good-coach>



5 Tips for Effective Coaching

1. **Listen deeply**
2. **Ask, don't tell**
3. **Create and sustain a developmental alliance**
4. **Focus on moving forward positively**
5. **Build accountability**

Team Member Spotlight: Mike Crianza

If you haven't met Mike Crianza, then you should. Mike has eagerly served on Sunland's team for over 10 years in a variety of positions and was our 2013 Annual ICARE Award Winner. He was a critical part of our Scotts Miracle-Gro account team while it was in Simpsonville, SC, and then helped support the transition when the operation moved to McDonough, Georgia last year. In addition to having valuable experience in operations, he is also a talented carpenter. So when a position opened up earlier this year in our maintenance department, Mike was excited for the opportunity to become our new Maintenance Manager.



What do you enjoy the most about working for Sunland?

"The people. I am grateful to work for a company that provides me with opportunities to grow and learn things that not only can be used at work, but also in life - like our lean training for example."

What would some people not know about you?

"I'm originally from New York, New York – born in the Bronx and raised in upstate NY. I enjoy working out, spending time with my family, and riding motorcycles. I loved to make things".

PEOPLE

Sunland believes that the quality of our processes and the strength of our company are dependent on our ability to develop the talent and leadership skills of our associates. The ICARE Program is designed to encourage and reward performance excellence.



Please join us in congratulating the following 2017 – 2018 ICARE Winners and thanking them for their outstanding service to Sunland and our customers

1st Quarter Winner: Bobby Williams



Bobby Williams has been a Sunland team member for 10 years and has provided value to all of the accounts he has served, including Scotts, Milliken, B&L, Kohler, and now CH Robinson. He is an excellent forklift operator who can execute a wide variety of functions including final order verifications, product sample requests, segregations and deconstructions. Bobby is one of our most engaged associates. His opinions are widely respected by his team and he does not hold back if he believes there is an opportunity for improvement. He is very vocal about safety, is passionate about doing the job right, and is always willing to help teach others if they are having difficulty. He treats each truck he loads or unloads as another chance to meet his customer's high expectations. Bobby comes in each morning with a smile on his face and it stays there the whole day. He has a positive effect on his team's spirit and gets along with everyone he meets.

2nd Quarter Winner: Joenell Johnson



Joenell Johnson first started at Sunland as our shipping lead in 2014 for our Bausch & Lomb operation and quickly advanced to being one of our most valuable Customer Service Representatives. She has demonstrated her ability to successfully handle reporting requirements involved with international shipments, manage the inventory audit program, and serve as a site training coordinator. She has become the primary contact for the on site transportation coordinator and has developed a strong relationship with her customer. Joenell is always willing to do what it takes to make sure the customer is taken care of and had perfect attendance 2 years in a row. She was recognized by her customer for her leadership role in their best (and fastest) physical inventory.

3rd Quarter Winner: Michelle Morales



Michelle has been a part of Sunland's team supporting e-commerce account, Draper James, for one year and instantly made a tremendous positive impact to the operation. Her professionalism and "servant leadership" mentality has contributed to building a strong team. Michelle's leadership shined in March 2018 when the account had their highest volume month at the time. She was very instrumental in developing SOP's for the new Tier 1 Infor WMS that was implemented. Michelle completed Sunland Leadership Training and has received positive recognition from the Draper James Team. In addition to quickly becoming an effective operations leader at Sunland, Michelle is a mother who found time to earn her associates degree, and consistently volunteers in her community.

CONGRATULATIONS SHYMAINE WILLIAMS



Annual ICARE Winner 2016 – 2017

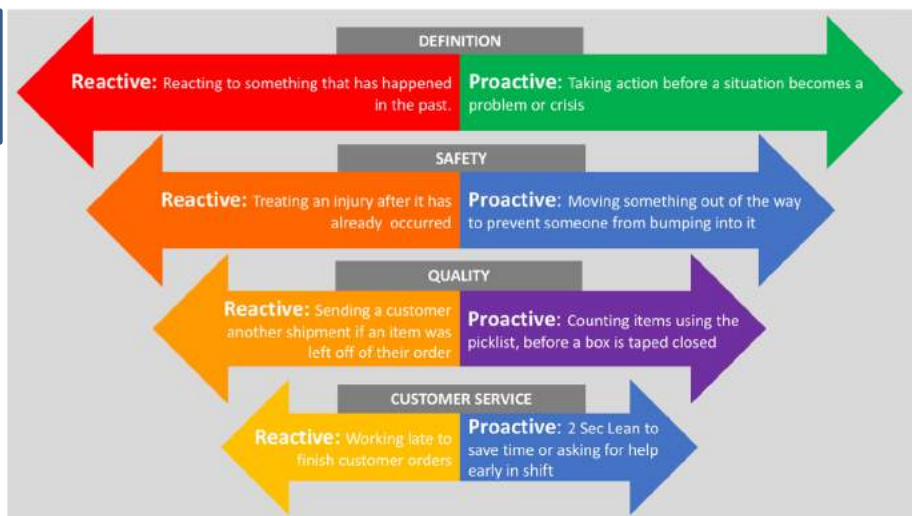
It is with great pleasure that we announce the 2016-2017 Annual ICARE Award and \$5,000 check was presented to Shymaine Williams from our Ingevity operation in Goose Creek, SC. Shy has been with Sunland for almost 10 years. After supporting our site in North Charleston, he transitioned to the Ingevity operation as an Inbound Team Lead and recently became the Export Team Lead because of his strong leadership skills.

Shy is an effective trainer to new associates in his operation and does a great job explaining in detail the expectations of our customer and the Sunland management team. He sets the tone for high expectations because he wants to maintain a quality operation, “second to none.” Shy is a positive person and always has a friendly smile. Shy has four associates reporting to him, and both departments excel when he leads those areas because of his willingness to help when activity increases. Shy never misses work, is always on time, and is willing to be flexible with his schedule.

He is very **proactive** about safety, quality, and customer service. Shy is focused on exceeding Ingevity’s expectations and delivering operations excellence. Not only does he demonstrate a willingness to help others at work, but also in the community by helping to provide clothing and food to the homeless. Shy is always thinking of others before himself. Thank you, Shy, for sharing your gifts with Sunland and taking great care of our customers!

Proactive vs. Reactive

It’s easy to get caught up in the rush of the day and focus only on completing the immediate tasks on your to-do list. The fire fighting mentality is a hard cycle to break, but it’s essential to focus on proactive vs. reactive activities if you want to be a more effective leader and improve performance.



CELEBRATE:**Happy Sunland Anniversary**

A special heartfelt thank you for all your hard work & dedication our customers:

20 YEAR

Nancy Reeves

15 YEAR

John Matlock

10 YEAR

Mike Crianza
Bobby Williams

Nathaniel Blandin

Molly Stech

5 YEAR

Elijah Ray
Michelle Green

Liza Twery McAngus

David Madden

1 YEAR

Devon Bagwell
John Haynes
Ricky Medlin
Kristen White
Dazzmine Bailey
Willie Gaines
Darrecos Harris
Calvin High
Quinjetta Oliver
Thomas Cummings
Terry Owens
Rebecca Deets
Allison Sanders
Darrick White
Melissa Brown
Ashwin Sriram
Camilla Jenkins
Pamela James
Thomas Robinson
John Phifer

Prasad Masineni
Rick Gosselin
John Phifer
Darrell Wadley
Susan Few
Jerrell Thomas
Rick Knowles
Christopher Guerrier
Tracy Tanner
Felisa Cromwell
Harry Harris
Michael Pratt
Andre Mallett
TyJuan Talton
Michael Dion Astin
Corey Calhoun
John King
Stephanie Cobb
Belinda Davis
Robin Mizell

Diane Lowman
Charles Jones
Terry Landford
Loveamia Petty
Jacob Freeman
Rod Bachler
Shanetra Fowler
Jonathan Cook
Devan Cooley
Darrell Judiburgh
Derrick Jamal Mason
Michelle Morales
LeQuentin Morris
Gary Roberson
Brenda Wilson
Chris Essex
Steven Reynolds