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CAROLINAS GATEWAY PARTNERSHIP

## KANBAN'S RISE AS A LOGISTICS POWERHOUSE SHOWCASES TWIN COUNTIES' GLOBAL CONNECTIONS

*By Lawrence Bivins*



One consequence of globalization is that today's companies must keep focused on core aspects of their business in order to stay competitive. Succeed-minded manufacturers, for example, concentrate on production while partnering with third-party logistics providers (3PLs) in creating and maintaining smooth supply chain networks and distribution channels.

Companies in the Mid-Atlantic have the advantage of working with Kanban Logistics to build reliable and affordable connections to buyers and suppliers worldwide. "Our business model is all about economies-of-scale," explains Billy Wooten, chief executive officer of the Tarboro-based company. The firm's customers can tap into a complete menu of warehouse, handling, packaging, transportation, e-fulfillment and other services. "Companies can share our expertise, equipment and technology instead of having to build their own supply-chains," he says.

A family-owned company whose name means "just-in-time" in Japanese, Kanban relies on a strategic location, multi-modal infrastructure, affordable business costs and 40 years of experience in serving customers' logistics needs. With a workforce of approximately 100, the firm currently occupies one million square-feet of warehouse space served by both rail and interstate-quality highways. Sites in Tarboro and Rocky Mount, for example, are only a few minutes to I-95. About 75 percent of the U.S. consumer population lives within a 12-hour drive.

Rail accessibility also helps Kanban serve customers. The company's facilities are served by CSX Transportation, whose east-west and north-south lines make for convenient and affordable movement of raw materials and finished products. "Rail gives clients another option," Wooten says. It can also help companies manage their carbon footprints. "Rail has three and a half times less emissions than trucks on the highway," he explains. "That's huge for our clients."

Kanban also connects customers with the global marketplace. Deepwater ports in Norfolk, Morehead City and Wilmington can be reached in about two hours. "We're well-positioned as a logistics hub for the entire Mid-Atlantic region," Wooten says. And those connections are set to grow even closer in coming years with the development of a Raleigh-to-Norfolk interstate corridor. The 2013 designation of I-495 from Rocky Mount to the Raleigh beltline puts part of the corridor already in place. The remaining piece, which will be dubbed I-87, will provide interstate access to the "back door" of the Port of Virginia.

Kanban also facilitates air-based movement of goods on behalf of its customers. "Rocky Mount to RDU International Airport is about an hour and ten minutes," says Wooten, whose company's trucks deliver cargo regularly to RDU. "We deliver products, mostly components and parts, every day to be shipped out via air," he says.

Unique among 3PLs in eastern North Carolina, Kanban serves as an active Foreign Trade Zone, giving manufacturers and assembly businesses flexibility and cost-savings in sourcing parts from abroad. "We're a general purpose FTZ - sort of like a convenience store open to the general public," explains Wooten. Companies from Virginia to Georgia work with Kanban to maximize the benefits the zone provides.

Having been an FTZ since 2003, Kanban has amassed valuable expertise on the myriad rules governing foreign trade zones. "It's highly regulated by the federal government, and there are a lot of reporting requirements," according to Wooten. "But we have the personnel in place to handle all that."

While few of its competitors can match Kanban's geographic and infrastructure advantages, human factors account for much of the company's success. "We have very little turnover in our management," Wooten says. Some employees have been with the company for nearly three decades.

Good workers are critical to the company's ISO accreditation. Its AS-9100 certification, for example, enables Kanban to handle products on behalf of aerospace and defense industry customers. The company's Rocky Mount facility is also food-certified, adhering to national standards for climate control and sanitation. "Certifications help us promote our business in the marketplace," says Wooten. Rock-bottom levels of unionization in the Twin Counties also boost Kanban's cost-competitiveness vis-à-vis 3PLs in Virginia and Maryland.

Support for Kanban's talent base is available from nearby Edgecombe Community College, which offers a certificate program in Global Logistics & Distribution Management. The college also screens applicants and provides basic training for the company's new hires. Not far away, Nash Community College has an Associates degree program in Global Logistics and Distribution Management Technology. East Carolina University offers a distribution technology concentration as part of its undergraduate business curriculum. "ECU has been a terrific resource for us, and will continue to help us grow the business into the future," Wooten says.

Growth is definitely on the horizon for the company. “Eastern North Carolina is emerging as a center for food manufacturers, and that will likely continue driving a large part of our business,” Wooten says. At the same time, bio-pharma production is surging in and around the Research Triangle, which has also spells opportunity for Kanban. “We’re positioned well for advanced manufacturers of all kinds,” he adds.

Despite exciting prospects for continued success, homegrown Kanban stays true to its Edgecombe County roots. Wooten serves on the county’s Board of Commissioners, bringing his business acumen and leadership skills to a community whose future he cares deeply about. Life there enables him to pursue long-held passions for historic preservation and the outdoors. He and his family live in a restored Tarboro home originally built in 1790. Wooten enjoys taking his wife and two children boating along the North Carolina coast just a short drive east. “This community and the pace of life here are ideal for spending time with family,” he says.