Interview: Iris and Tom Vincent – President and Vice President, Prime Air Corp – Puerto Rico

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Iris and Tom Vincent of Prime Air Corp explain the challenges behind providing logistics solutions to manufacturers in Puerto Rico, and how their non-stop service allows for a more competitive offering over larger players.

Could you give us an overview of how the Puerto Rican life sciences industry is [illegible]istribution companies?

IV: Being on an island, everything comes and goes via ocean and air, and all the major players are here. Life sciences companies have unique needs, and most of the time their needs do not adapt to a scheduled setup. So they need to work around a customized service that can support their specific deadlines in different countries to launch a product or introduce new research. That is where Prime Air Corp comes in. All expansions involve big machines or equipment that requires special treatment to get into different towns across Puerto Rico, to which Prime Air Corp can adapt.

Iris and Tom Vincent, Prime Air Corp copy

TV: Rather than having canned services like our competitors, we tailor-make every single service to any company's needs. This is particularly relevant since pharmaceuticals and medical devices represent 40 percent of our business base. It could be a weekend delivery of an emergency shipment or sending onboard couriers from here to Europe, all to make sure that products get to their destinations in time. This requires out-of-the-box thinking.

When did you found Prime Air Corp?

TV: This is actually our second time around. We had another company that we formed in 1989 called Best Ways Air Cargo. We were in business until 1999, when we sold the company to US Freightways. In 2001 we had the opportunity to join the Stevens network and opened the San Juan office at that time.

What are some examples of the value-added services that Prime Air Corp that differentiates it from other players?

IV: We work around the clock, 24/7. We can get a call Friday at 5 pm for delivery on Saturday at midday.

TV: In terms of raw materials, some manufacturing firms have a given product like foil coming from the border of Germany and France, and we might receive a call on a Thursday and the customer needs it on the weekend. We must determine how to get the product picked up on time and do customs paperwork in Germany to ensure we can get it on a direct flight to San Juan on Saturday and clear customs Monday morning.

How do you achieve that in such a short amount of time?

TV: It is our flexibility and our network of agent offices we have throughout the world, with which we all have a very close working relationship.

IV: We have had situations in which we have a full trailer load delayed, which can stop the manufacturing plant. They call us to get that full container load into a plane and bring it over.

TV: In November 2014, Horizon Lines, one of the three largest ocean freight players in Puerto Rico, pulled out of the market. That took about 30 percent of the lift capability out of the market and

certainly hurt the northeast part of the island, where they handled 50 percent of the market. That created chaos in the first quarter of 2015; a lot of product normally brought in via ocean was turned over to air because there was not enough space coming out of the New Jersey area on the ships. Consequently, some life science plants had to fly products that were normally routed via ocean. It was a true challenge to work out the logistics for this.

IV: When you have an emergency or plant-threatening situation, you do not want to be a number. You want information that satisfies the need of that plant. As such, the personalized touch counts a lot in terms of the sensitivity that that situation may have for the plant. All these companies know that no matter what size a piece may be, they can call us and we will move it. Our reputation for reliability allows us to make this happen.

TV: Prime Air Corp's current on-time performance is 99.25. That is why many people want to make sure we are taking care of their emergencies from A to Z.

IV: This is part of our success; the ability to adapt to the customer's specific needs. For example, Fedex only works from 8am to 5pm, whereas we can work around the clock, which customers sincerely appreciate.

How difficult it is to maintain the high standards, especially for areas like temperature control?

TV: The technology is there; it is about combining technology with resources and infrastructure. However, understanding the customer's exact needs and adapting to that is paramount.

IV: We also give lots of attention to educate our personnel. All our employees have licenses to deal with DGs, hazmats, different kinds of freight; all of our customer service has every certification to be able to respond to special situations.

Given the importance of Puerto Rico's life sciences sector, what is the relevance of Prime Air Corp within the Stevens network?

TV: We are the second largest outside of headquarters in Los Angeles. That being said, Stevens operates different types of structures. We have offices like ours which is an agency, but we also have company stores which are company-owned offices throughout the US. Furthermore, we have our international agency network, with whom we are partnering on a sharing of revenues with that particular station to ensure coordination at both ends.

What challenges does Puerto Rico pose in terms of its complex geography for logistics, and how do you overcome them?

TV: It is all about planning. You have to be able to coordinate in time. But every logistics provider is used to dealing with this in Puerto Rico.

IV: The fact that we are involved with these organizations and government is fundamental here; when you have to ask for a permit to move a router after-hours across different highways without stopping traffic, having that contact with those people makes it easier for us to get everything in place to move freight.

To which regions of the world do you primarily export?

TV: Export is well-distributed. Much of our exports go to the domestic market, from where they are sent to Europe and other clients. Some manufacturing plants' business model calls for exports directly out of their facilities in Puerto Rico. So there is a mix of both.

Puerto Rico has traditionally focused on the US as a main trading partner, but today we see a greater focus on Latin America. As this trend continues, will you see more business in that region?

TV: We are constantly looking to expand the services we provide to our customers. Being audited and validated, when you start working with a pharmaceutical company, you must be in compliance with all the same issues they are, because you become an extension of their product and service. You are involved in that supply chain with them. If what we are doing is in line, it will probably hurt whatever they are trying to achieve. That is why we are constantly audited by pharmaceutical plants.

As Puerto Rico promotes its noteworthy investments, where do companies like Prime Air Corp fit into this collaborative effort?

TV: Our participation with different industry associations is important, as these associations work hard to promote Puerto Rico. Not being part of the government promotion arm for manufacturing, as businesspeople we can insert ourselves into this ecosystem and help achieve that promotion. When we are at different events stateside or outside of US, we constantly promote Puerto Rico. Everyone in Puerto Rico should be doing this too.

IV: Prime Air Corp is very engaged with the development of Puerto Rico and the economy. I am very involved with PIA and PRMA. Our lives are deeply involved in developing this. The

manufacturing industry will continue to grow because of the immense talent here, and the people are equipped with the knowledge to work at that level.

It is not often that we see non-pharmaceutical companies that are members of both PIA and PRMA, which is a real testament to your dedication and commitment to the industry and Puerto Rico.

TV: Indeed, and I lead the transportation and logistics committee in PRMA. Currently, we are dealing with many challenging situations, such as determining whether removing the Jones Act would bring benefits to Puerto Rico. The same applies to the local tax structure and how it affects local transportation. By getting involved in all those areas I see it in a way we are putting our two cents into helping the Puerto Rican economy move forward.

IV: We try to maintain a lead position in any area of knowledge what will affect the industry. When PICO (the software that the government uses for importers to clear and pay excise tax on imports) was altered last summer, we were involved in many groups and forums, explaining how it would affect every industry. With new taxation taking place today, we are also very involved with the government and with different agencies to be more of an educational resource to different companies. We are discussing with over 90 percent of manufacturing plants about how PICO will influence their direct manufacturing process. We try to be more of a partner with our customers than just a supplier.

What are your objectives for continued growth in the future?

IV: We have doubled our sales in the last three years. We may be in a bigger building with double our employees three years from now.

TV: Three years ago we only had three doors in the current building, now we have twelve. We have half of this building occupied with over 60,000 square feet. We are looking forward to continued growth.

IV: We always remember where we come from, where are and where we are going. That has helped us immensely to establish our strategy for the coming years.

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