



Mission Statement

The ADCOM WORLDWIDE Corporate office provides

- Support, tools, accounting and leadership
For its business partners, stations engaged in
Freight forwarding operations,
- In order to enhance the growth and profitability
Of the system both domestically and internationally
In a professional and ethical manner.

The ADCOM WORLDWIDE Organization accepts the obligation to provide quality service which constantly exceeds the expectations of our customers.

To achieve this we always strive to:

- Maintain an environment of teamwork among our staff, vendors, and business partners, avoiding possible and perceived problems, improving the processes we use to deliver our services exactly at the time agreed upon.
- Work constantly at controlling our costs, to provide the best value for our customers.
- Create and maintain trust and respect among ourselves, our vendors and business partners.
- Commit to working for improvements every day, seven days a week, twenty four hours a day.

Why Adcom's Mission Statement reflects Reality

The exchange of goods has brought continents and countries closer together. In ancient times, the Greeks and Romans were pioneers of trade - transporting wine in barrels on a pallet via mountains, and in boats across the seas and rivers. Thus the birth of "multimodalism".

Today, technological progress and individual, honest and responsible, personalized service are the hallmarks of successful global transportation.

These important elements are also typical for our day-to-day business. They distinguish our organization's network - big enough to create the ability to compete for our members when it comes to price, but exactly right when it comes to personalized service (a truly think globally act locally mentality). And these facts set us apart from our competitors. These elements make Adcom Worldwide unique.

However, striving to keep a unique, outstanding position within today's complex logistics chains is one thing, and getting this message across beyond the circle of existing, satisfied customers is quite another.

Adcom Worldwide's major advantage may very well be what may be called our "culture of quality". Since our company was founded, we always knew that the know how and the (almost) perfect services we delivered could only be sustained, if we constantly work to further improve them: As such, security based quality, as we define it, will always be a "work in progress".

Adcom's constant analysis of what our partners – and their customers - want and need, and our policy of delivering what exceeds their expectations is, a product of our personal experience, our organizational efficiency and, our absolute integrity and honesty.

This is what our Mission Statement outlines as well.

Why Adcom implemented the ISO 9004-2000 Quality Program

In the previous page of this manual (Why our Company's Mission reflects Reality) one of the important statements says that our major advantage might be what we call our "culture of quality". Our constant strive to improve no matter what is responsible for our current business partners.

However, these positive attitudes and feelings about our philosophy of quality in general and Adcom's effort to provide perfect work products specifically still seems to defy any reliable, objective method of "measuring quality" in an industry, which sells very individually tailored services - not an industrial product open to simple inspection using whatever gauge...

Recently the Swiss based International Standard Organization (ISO) gained some influence - predominantly in the U.K. - by promoting the quality standard series ISO 9000, which consists of two different, but closely related norms (ISO 9001 and 9004). Although clearly earmarked for manufacturing industries, their generic character makes it possible to "transfer" them to match the necessities of the service providing, transportation related industries as well.

Adcom was reluctant at first. The flexibility needed in the complex service providing business coupled with – our organization's goal is to increase the competitiveness of the independent small and mid-sized logistic providers - we feared could not be adequately covered by norms written for manufacturers. However, upon review ISO/ASQ 9004-2000 (which is an official American National Standard since December 13, 2000 and is also an officially recognized European norm) Adcom became seriously interested, as it seems to be written with business partners-customer's and vendor's interests in mind.

As a result, we have implemented a unique quality management system which provides the following:

- a) Reliable assumptions of what the customers of ADCOM WORLDWIDE expect from us (expectations = needs and previous experiences).
- b) An open-minded management which encourages the questioning can improve certain things, are given the chance to implement those changes).
- c) An "open-eye-policy" of sharing positive changes, which often have an impact in other areas of the industry, too ("If it works here, it might work there") We inform our customers about all relevant changes, including revised or newly implemented government requirements and those surrounding the Customs-Trade Partnership against Terrorism (C-TPAT).

Adcom realizes that having another certificate on the wall doesn't eliminate all mistakes. But the objectives of our carefully implemented quality concept will, no doubt, have numerous positive consequences - some visible, others invisible to our business partners and customers.

In short:

The awareness of what we do, and that we do it right the first time, will not only enhance our relationship with our customers and vendors, and we sincerely believe this will increase our entire organization's profitability.

Adcom's Quality System Principles

1. Introduction

Anyone who makes a living in today's post industrial environment, whether in a small business or in a big organization, knows that quality and customer satisfaction are the most important factors, and require the utmost attention.

It is also known that failure to meet quality objectives can have consequences that may adversely affect not only the customer, but also the profitability of our firm and, the job security of our entire team. Therefore, it is an important management responsibility to ensure that such quality related failures are prevented.

No management in the world can achieve such a goal without its staff's full cooperation. In short:

- Improved performance, attitude, and customer satisfaction.
- Improved productivity, efficiency and cost reduction.

These goals cannot be achieved without:

- Managing the social processes involved in such a task regarding human interactions as a crucial part of delivering quality.
- Developing the skills and capabilities of personnel and motivating personnel to improve quality to exceed a customer's expectations.

The following details of our quality policy will add still another segment to the equation: The feedback of the customer's - and of our overseas' network of partners - perception of the services delivered.

With everything we do we influence it.

Adcom's Quality System Principles

2. Management's Responsibility

Management is responsible for establishing the policy for quality service and customer satisfaction. Successful implementation of this policy is dependent upon managements commitment to the development and effective operation of the ISO 9004-2000 quality standard.

Figure A illustrates that the business partners and customers are the focal point of the three key aspects of our quality program. It also illustrates that customer satisfaction will only be assured when there is harmony of interaction between management responsibility, the personnel and material resources - in other words: the quality concept structure itself. In today's world, the constant threats of terrorism clearly require an additional focus that may be initiated by government institutions. However its execution is another management responsibility.

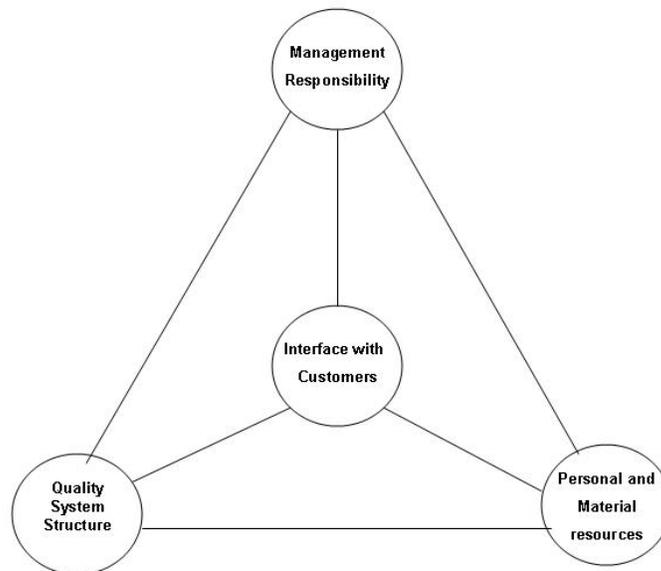


Figure A
The Customer is the Focal Point

Adcom's Quality System Principles

3. Our Quality Goals and Objectives

The primary goals for establishing quality objectives need to be identified first. Primary goals should include:

- Customer satisfaction consistent with professional standards and ethics.
- Continuous improvement of the services delivered.
- Efficiency in providing high quality services at a fair price.

These primary goals should be "translated" into a set of objectives and activities, such as:

- Definition of the individual customer's needs with appropriate quality measures.
- Preventive action and controls to avoid customer's dissatisfaction.
- Optimizing quality-related costs for the required performance and services provided.
- Continuous review of service (including recent government requirements) provided and achievements to identify all possible opportunities for enhancement.

All this requires the:

- The creation of a collective intellectual commitment to quality within all levels of personnel, from top management to coordinators.

Adcom's Quality System Principles

4. Our Personnel and Material Resources

The most important resource in any service providing organization is that of the individual staff members involved. The behavior, attitude, and performance of each colleague has a direct impact on the quality of the services delivered. Therefore it is understood that:

- New personnel needs to be selected on the basis of their capability to satisfy defined job specifications, all of which are customer driven.
- No person with a criminal record (misdemeanor or felony) will be employed or contracted (that guarantees compliance with C-TPAT requirements).
- A work environment is to be provided which fosters excellence and a secure work relationship.
- Realization of the potential of every member of the organization needs to be achieved by consistent, creative work methods and opportunities for advisable additional training and greater involvement.
- The tasks to be performed and the objectives targeted need to be understood, including how they affect quality.
- All colleagues need to feel that they are involved and can influence the quality of what's delivered to "their" business partners and customers.

Material resources in our industry is also everything provided by vendors. It is of utmost importance that these third party "deliveries" are in conformity with the security (C-TPAT) and quality standards our company is committed to and responsible for - which brings us back to the human quality aspect already covered on this page.

Adcom's Quality System Principles

5. Our Documentation System

All operational steps, requirements and provisions incorporated in the quality system need to be defined and documented as part of our overall documentation. The appropriate quality system documentation also includes the following:

- a) The quality program related documentation (Adcom's Quality Manual).
It provides a description of the quality system as a permanent reference by outlining.
 - The quality policy as defined by management.
 - The underlying quality documentation.

- b) Quality Procedures
These are processes/entries addressing the various operational needs (often clearly marked on the computer screen utilized).

In addition it needs to be pointed out that all documents - whether made out for a customer or for internal purposes only - have to be legible and, if appropriate, dated (including revision dates, if so), clear, readily identifiable, and carry authorization status (if so required).

Adcom also realizes that often even the delivery of perfect work is not sufficient to guarantee customer satisfaction; diligent documented files - whether on paper or as a computer file entry - are required as well.

Adcom's Quality System Principles

6. Our Quality in Marketing

The major function of marketing is to explain, define and promote the need and demand for the services Adcom offers. Useful approaches include all available market information, plus pricing, which needs to be offered (while considering the competition).

Elements associated with quality in marketing also include:

- The establishment of customer needs and expectations relevant to the products (to be) offered, but also possible biases held by potential customers.
- Competitor's activities and/or performances, as perceived or experienced by either the customers or our partners.
- Ongoing research to examine changing market needs and/or new technologies which may be utilized to improve our partner's and our own position.

Many of these details may only be analyzed in cooperation and with the help of our staff working in "operations" and are able to closely communicating with our valued partners, who exactly know what they need to exceed our customer's expectations.

Our Quality System Principles

7. Conclusion

At the end of the day all that really matters is how our business partners and customers perceive and judge the services delivered - and whether Adcom was able to do it "just in time", exactly when needed and expected. Therefore, effective communication is critical for the success of our business.

Effective communication, involves certain key elements, such as:

- Describing what we are providing and delivering, the availability and the timeliness, openly and honestly.
- Stating correctly how much our service will cost.
- Explaining immediately to our customers the consequences of a given problem, and how we can help to resolve it.
- Providing adequate (and polite) information when asked, avoiding any surprises and disappointments.

Our work requires us to determine the relationship between the services offered on request and the real needs of the customer. If the latter allows adjustments, which reduce the customer's costs, we will show how we can enhance our customer's competitiveness and bottom line.

All this being said, the conclusion is best summarized with the following figure B: The pyramid's basis is the "Quality Program" adopted by the staff to make it work ("Personnel") in favor of our partners ("Customer"). It all results in improved profitability and additional revenue, best symbolized in the "\$" sign:

Figure B
How Quality Works



How Our Quality System Principles Have Been Integrated into Our Work

1. Quality Policy

As outlined in the explanation of our five major Quality System Principles, our organization is focused on the creation of “added value” for our partners and their customers by serving them faster than competitors and with utmost cost effectiveness. Additionally, we are looking after the interests of our partnership organization’s

- a) Owners, who are interested in the balanced effect of the financial results on their investments.
- b) Employees, who have interests in work satisfaction and personal development.
- c) Vendors (like steamship lines, airlines, railways and truckers), with the goal of achieving sustained business opportunities for them.

Consistent with other policies throughout the organization, Adcom is totally focused on customer satisfaction, and will always take into account the needs and expectations of all parties interested in its success.

2. Responsibility and Authority

General and specific quality-related activities are explicitly defined in function based job descriptions, which define the responsibilities and the reporting duties of the persons covered. The purpose of this is to create a positive attitude within the company for flexibility and continual improvement.

All our employees, at all levels, have the organizational freedom to raise and resolve quality problems, by

- a) Determining and recording problems relating to their work processes;
- b) Initiating actions to prevent the occurrence and recurrence of real or potential mistakes – whether in the work processes, or in the quality system itself;
- c) Initiating, recommending or providing solutions through established lines of communications;
- d) Verifying the implementation of solutions agreed on.

3. Documentation procedures

Whether it is a PC entry, or a handwritten remark on a form (or file folder) utilized, all documents and working papers used or issued within the organization are only current and correct, when information covered in them is available exactly when and where it is needed.

How specific documents, electronic data and/or working papers have to be handled, is specified in work instructions wherever needed.

Within our organization it is mandatory to retain quality related documents and working papers for a period of seven years (which exceeds the time period required by law). Financial data and/or documentation has to be retained for a period of ten years. However, retaining all service related documents and data is not only important because the government requires it. The analysis of previously issued documents – or the earlier input of data – provides an important input for operational work and/or for corrective actions and improvement.

4. Resource Management

As outlined in the explanation of Adcom Corporate's Quality System Principles, our organization is paying considerable attention to the placement of our employees into positions for which they are (through internal and/or external training) diligently prepared. The know-how our customers expect to be shown includes the knowledge of the effect of work if performed incorrectly or without due diligence.

The work environment, however, is a combination of both human and physical factors. These factors influence motivation, satisfaction, development and performance of people. We optimize the following factors, which affect the work environment:

- Human factors
 - a) Understanding the objectives to be achieved and how they affect quality.
 - b) Safety rules and procedures.
 - c) Controlled work methods and opportunities for greater personal involvement.

- Physical factors
 - a) Optimal, safe work stations;
 - b) Optimal, safety in our equipment;
 - c) Optimal lighting;
 - d) Optimal, absolute cleanliness.

5. Process Management

The perfect freight forwarding service is efficiently provided only when resources and activities are managed as a process. Within our organization we determine and manage these processes by considering the needs of all interested parties.

Quality is built into all organizational processes achieving the consistent and effective operation of:

- a) Processes which produce the planned results directly related to customer's requirements.
- b) Processes which produce results affecting the needs

of other parties directly involved in our business (like steamship lines and airlines).

To ensure that all processes operate as an efficient network, we undertake (at intervals determined by the management in charge) a thorough analysis of how all processes and its results interrelate.

6. Control of Non Conformities

As already outlined in the explanations of our Quality System Principles, all personnel with supervisory authority, particularly those engaged in the monitoring of our process activities, have the responsibility to report – and correct, if possible on the spot – all discovered non conformities.

Therefore it is important that all non conformities are adequately documented, together with their disposition (correction), to provide proper information for the subsequent analysis and, if advisable, for improvement activities.

7. Analysis and Improvement

We routinely measure our performance at a number of points. It is being done at top management level, using results throughout the organization to support effective and efficient management for the benefit of all “interested parties”.

Although the measurement of our internal productivity has been developed and is diligently used to continually improve our efficiency (which is mandatory to sustain our external competitiveness), it can't be overlooked that an important aspect of continuous service improvement is our business partner's and customer's opinion about the services we provide.

* These customer opinions are properly documented and are shared with our operational-sales teams. Our company constantly compares the current customer satisfaction with data from the past (where known), as such a monitoring helps to improve our business partner's customer retention.

8. Internal Quality Audits

The suitability and effectiveness of our quality program is the responsibility of its top management. However, the effective implementation and maintenance of the quality system is regularly verified by surveillance audits performed by a third party auditor Especially retained for these internal audits (currently Messrs. Bauer Associates).

These audits provide an objective evaluation of all activities and processes of our organization. The audit reports record the strengths and weaknesses of our quality management system and processes as well as positive organizational performance.

The First Quality Absolute: Definition of “Conformance to Requirements”

We all have a very personal definition of quality. However, quality must be defined in VERY specific terms so that all parties can comprehend what – in very specific circumstances – quality means.

Very simply put, quality is “conformance to requirements” (P.B. Crosby). Either an item conforms to the requirements (quality) or it doesn’t (non-quality).

Requirements, however, must also be mutually agreed upon and understood. As individuals, we are both suppliers and customers in our work processes. To conform to requirements or to have ours met, we must define them – and agree to them.

The function based job descriptions we have and the quality manual –operations manual and check lists to back them up, help us to utilize our personal responsibilities to influence positively what quality really means: The creation - and improvement – of Adcom’s business partners and customer satisfaction.

The Second Quality Absolute: Prevention of “Non-Quality”

Prevention of “Non-quality” – or non conformance, as defined in the ISO 9000 quality system literature – is an ongoing, proactive approach to communicating, planning, proofing and working in a way which eliminates opportunities to “produce” non-quality (or, in ISO language, non-conformities).

In simpler words...causing something not to happen.

The best pro-active step in our work is to provide adequate training – whether it is external training (like “Hazardous Cargo training) or training on-the-job makes no difference. However, there are a number of additional tools at our disposal:

- Validated “boxes” in Computer Systems,
- Published tariffs and current Check Lists,
- Customer Complaints, and,
- The ability to foresee proactive congestion in freight terminals, and adjacent roads, etc., which can be avoided by preventative and adequate planning.

The Third Quality Absolute: Performance Standard ZERO Defects

Adcom Corporate's attitude towards error prevention is clearly the achievement of zero defects. Will we ever achieve this goal? Probably not – it is an ideal, and we are human.

However, the attitude to achieve zero defects has one “built-in” consequence: As soon as a so-called non-conformity surfaces, we act immediately; we try to find out the “Why” and “When”, taking steps to see that this very non-conformance – the error or misunderstanding – never happens again.

The ISO quality system mentions it as a “corrective and preventive action”.

The ISO 9000 norms – binding for us, as we are an ISO 9004-2000 certified organization – require a procedure not only for the acceptance of a vendor, but also for termination of such a connection if the quality delivered is repeatedly less than what is mutually agreed upon.

The Fourth Quality Absolute: Measurements – Tools for Improvements

Quality experts in manufacturing firms often define quality as a “variance from the (set) target”. It sounds complicated, but what it means is this: When you set a target and the result is just “close to it”, you end up with a “variance” – which can be narrow or wide. One may say “The narrower the variance, the better the quality”.

To narrow an existing variance to the target “perfect quality”, one needs to know how wide the gap still is. The best way to find out is by measurement. Experts say quality must be measured by “calculating the cost of the variance from the target”, which means finding out the cost of doing things wrong (or the cost of non-conformance). Only by measuring we can initiate – and monitor – improvement.

Adcom measures our performance against the requirements of customers / Business partners.

Therefore, it is not only mandatory to meet our contracted requirements, but also to benchmark ourselves through measurements in order to continually improve our performance above and beyond our self-set targets. Obviously, this is diligent for competitive reasons and not only because our ISO 9004-2000 quality program encourages it!

The price of non-conformities (and/or under performance) is what it costs us to correct things which have been incorrectly (or just imperfect); as every non-conformance has a price tag for re-work, waste and additional marketing efforts to again win over a dissatisfied shipper/recipient of cargo - who, especially in today’s competitive environment, has a choice among many service providers, all wanting his business.

However, as errors and/or defects diminish, so do their cost – and customer apprehension’s are replaced by peace-of-mind.