



## Letter from the President

*Roger Scarborough  
Founder, CEO  
Scarborough International, Ltd.*

### What Do We Know About 2010



Welcome to a new decade! It promises to be even more interesting than the last one and that is saying a lot. The speed of technology with Blackberry, iPhone, iPod, and iPad, cloud computing and so much more has been incredible. China has become a world power in manufacturing passing Germany and on the brink of passing Japan in GDP. Internet is the way to do everything from study to shop, instead of some new phenomenon for kids. We know

what everyone does everyday because of networking sites such as Facebook, LinkedIn, and Twitter including some things we wish we did not know. Who could have guessed what all would happen with Tiger falling and the Year of the Tiger dawning a new decade.

In 2000 we were happy to have a fax machine and now everything is EDI, email, database uploads and scanned pictures showing us what is happening at Ports all over the world. Scarborough has gone from Roger and Jeannie managing a few people in Kansas City to a magnificent group of young Managers specialized in IT, consulting, project management, marketing and an increase in running operations in multiple cities and around the world.

The good news for me is some things have not changed. I still get to work with great companies making great products and fighting to compete in the global market. Competition still challenges and excites me. While our profession has grown from moving

freight to managing global supply chains, the challenge of doing it better than the competition is still the metric by which we are measured. My experience of seeing how companies have adapted and being a student of world trade serves us well and challenges me to keep learning and getting better. Providing "Simply the Best" customer service in a competitive environment has not changed. Thank God a few things are still the same.

I am not sure what the decade holds, yet am comfortable it will be a great ride. It will be fast, furious, and fun so jump on the roller coaster and enjoy the ride with the Scarborough team. I am a Tiger so let's enjoy the Year of the Tiger and the decade to follow!

Please send your comments to [kcmc@scarborough-intl.com](mailto:kcmc@scarborough-intl.com)

Thank you,  
Roger Scarborough, Founder and CEO

## 100% Air Cargo Screening

*Adam Dony  
Exports, Chicago*

Starting August 3rd, 2010, 100% of all air cargo on passenger aircraft must be screened prior to boarding.

The air cargo industry has already met the 50% screening requirement by the previous Feb 3, 2009 deadline.

Screening responsibilities are being



directed back at IAC's and freight forwarders to help ease congestion at the airlines. Delays are being forecasted by the airlines once the 100% screening requirement comes into effect.

For questions and comments, please email Adam Dony at [adony@scarborough-intl.com](mailto:adony@scarborough-intl.com)

## Better Person; Better Professional

Aaron Hoormann  
Sales, St. Louis

### **Better People; Better Professionals!**

That is what Roger and Jeannie Scarbrough teach and strive for from their employees. To talk the talk and walk the walk, they have opened up the Employee Development Program to everyone in the company that would like to join. The Employee Development Program was originally developed in 2006, and has grown into a very popular one amongst the Scarbrough Team. The program increases professional and personal knowledge in areas such as customer service, trust, understanding others, industry and management knowledge, among many other areas. The EDP participants are able to do this through reading books and journals, participating in group discussions, as well as developing and contributing to team projects that improve the individual and company as a whole. These projects help the participants understand the process of projects, including how to create a project charter, how to create a project timeline or GANTT chart, and how to work with other team members to present their findings and new developed projects.

The EDP Teams contain subject matter experts for each project. Many times these group members are in different offices. This allows for the members

to experience teleconferencing and/or webinars, as well as get to know other Scarbrough members in separate offices better. Each project has a Team Leader and an Executive Sponsor. The groups have weekly meetings to get their projects moving along and to see the status of the project. The Team Leader brings the EDP Team's progress to the Executive Sponsor for final approval and/or adjustments. The teams are originally given an end result that needs to be achieved, but they have to figure out the means or the path to accomplish it. This allows creativity to flourish and results that may never have occurred had they been micromanaged. These projects are helping Scarbrough to become a more efficient company that will lead to better professionals, which in hand leads to even better customer service for our customers.

### **Where are these EDP Programs and when do they happen?**



EDP sessions take place in Kansas City, Chicago and St. Louis.

Jeannie Scarbrough travels to each office once a month to meet with the EDP members in each city. EDP 2010 began in January, and the EDP participants will graduate in April 2010. During these meetings they go over the reading material and discuss how this can make them a better person and better professional. This ensures that all EDP members are on the same page and are like-minded, as well as motivates them to work harder to achieve these goals. The EDP sessions also provide an opportunity for one-on-one interaction with an owner of the company. This allows the participants to have their ideas heard firsthand and to receive feedback immediately. The owners, Roger and Jeannie are continually available with open doors & open arms to the Scarbrough Team, and these EDP sessions only reinforce their commitment to each and every employee.

Some suggested reading used in EDP:

*The Question Behind the Question*  
by John G. Miller

*The Speed of Trust* by Stephen M. R. Covey  
*Essentials of Supply Chain Management*

by Michael Hugos

*The Goal* by Eliyahu Goldratt & Jeff Cox

*The 7 Habits of Highly Effective People*  
by Stephen Covey

*The Great Game of Business* by Jack Stack

## Incoterms: The History & What's ahead for 2011

Melissa Burris  
Import Freight Forwarding, Kansas City

Incoterms are international terms of sale developed by the International Chamber of Commerce in 1936. Since 1936 these terms have been revised in 1953, 1967, 1976, 1980, 1990, 2000 and a new revision to come in 2011. The basic purpose of the incoterm is to clarify how

functions, costs and the risks are split between the buyer and the seller in conjunction with the terms of the contract. Each incoterm specifies the responsibility of the buyer and the seller. These terms range from the buyer being responsible for everything to the other extreme, that the seller is responsible for everything.

*(continued on next page)*

Melissa Burris  
Import Freight Forwarding, Kansas City

Currently there are 13 incoterms which have been divided into 4 groups.

**Group E- EXW:** in this group the seller has no obligation other than to make the shipment available at the named EXW point for pickup. The buyer is responsible for loading the goods and all costs and the arrangement of the goods to the final destination.

**Group F- FCA, FAS, and FOB:** in this group the seller is responsible for the arrangement and cost with the delivery to the named origin port. The buyer will then assume responsibility for transport and insurance of cargo as soon as shipment passes the ships rail until it reaches its final destination.

**Group C- CFR, CIF, CPT, and CIP:** in this group the seller is responsible for the arrangements of transport and all charges associated with the transport up to the named port of destination.

**Group D- DAF, DES, DEQ, DDU, and DDP:** in this group the seller will be responsible for most of the transporting arrangements and the charges to destination and up to including door delivery plus import customs clearance as a DDP shipment would require.

On January 1st of 2011 the International Chamber of Commerce will release its 8th revision of the Incoterms. This new version was officially named Incoterms 2010 as it was set to release later this year. Meetings are in progress and have been scheduled throughout the remainder of

the spring. The ICC has scheduled meetings in London in February 2010, Prague in March 2010 and Paris in May 2010; this is when the fifth and final draft should be submitted for approval.

This process is very time-consuming and although nothing is finalized, the following predictions about Incoterm 2010 are reasonably safe to discuss:

- They will be more user-friendly
- There will be a clearer differentiation between the terms for use of all transport modes and those that can be correctly used only for vessel transport
- There will be fewer than the 13 current Incoterms
- Issues such as cargo security and the new Institute Marine Cargo Clauses that arose with the Incoterm 2000 will be addressed.
- The mirror image of dividing responsibilities between buyer and seller will be retained.
- The use of incoterms in domestic transactions will be encouraged and facilitated.

Stayed tuned for further updates regarding the release of Incoterms 2010. If you have any questions please feel free to contact your Scarbrough International representative.

For more information, please visit:

[www.scmo.net](http://www.scmo.net)

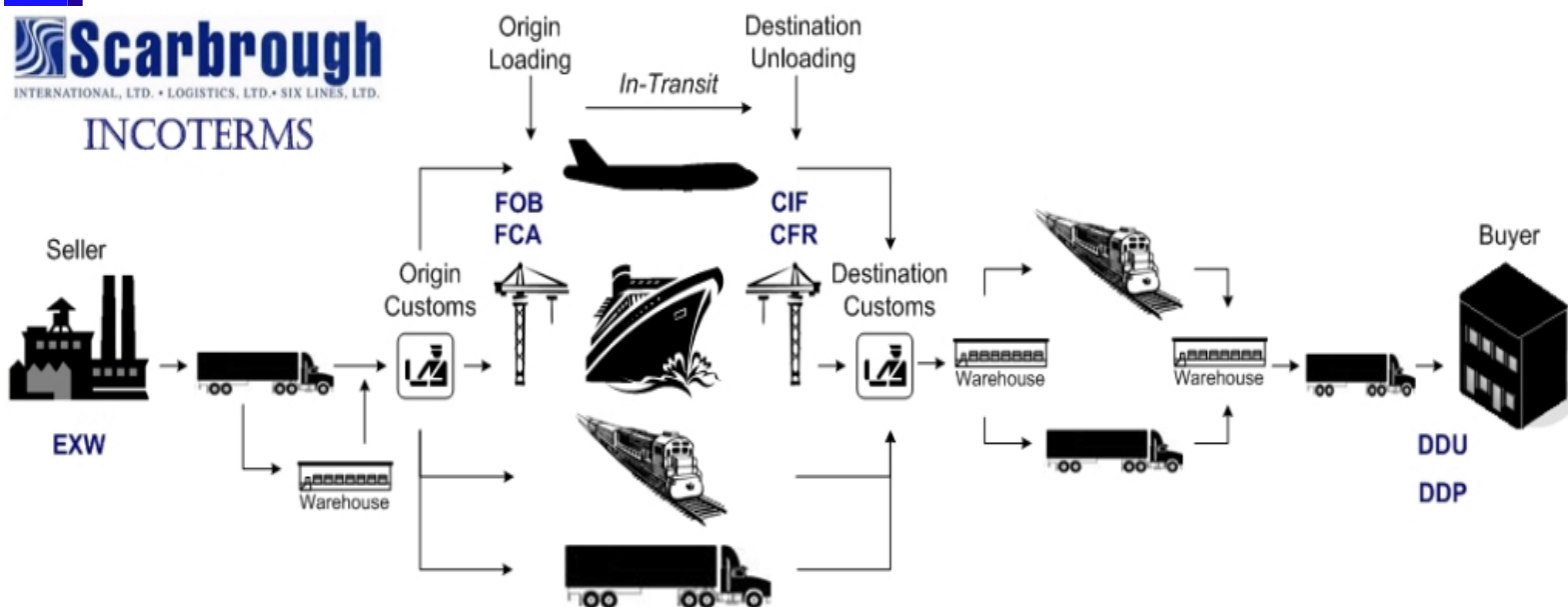
[The Journal of Commerce](http://TheJournalofCommerce)

[www.iccwbo.org/incoterms](http://www.iccwbo.org/incoterms)

For a full picture & explanation of below, please visit:

[www.scarbrough-intl.com/scarbroughincoterms.htm](http://www.scarbrough-intl.com/scarbroughincoterms.htm)

**Scarbrough**  
INTERNATIONAL, LTD. • LOGISTICS, LTD. • SIX LINES, LTD.  
**INCOTERMS**



# Helping Honduras

## Shoes & Backpack Drive

**THE OVERALL GOAL:**

**15,000 Shoes &  
1,000 Backpacks**

**SCARBROUGH'S GOAL:**

*with help from you and other partners*

**7,000 Shoes &  
300 Backpacks**

We are looking for all types of USED or NEW shoes and backpacks for all ages. Scarbrough International, Ltd. is partnering with *The Rock* in Columbia, MO, utilizing Scarbrough's warehouses as collection sites.



We are looking for organizations to partner with us!

- Donate shoes & backpacks
- *Most Important:* Pass the word around & get everyone involved!
- Set up a collection site in your facility

Scarbrough Warehouse Drop-off Locations & Contact Information:

*\*Please don't hesitate to contact us with any questions at all.*

*Our MKE & ORD locations will also truck shoes down for you!*

Kansas City Metropolitan Area  
10841 NW Ambassador Drive  
Kansas City, MO 64153  
Contact: Kim Dalzell  
816-584-2408  
[Kdalzell@scarbrough-intl.com](mailto:Kdalzell@scarbrough-intl.com)

St. Louis Metropolitan Area  
4514 Woodson Road  
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