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The Partner **Solutions** People

News

Morgan Introduces First-of-its-kind Global Logistics and Distribution Solution to Support South Africa's Black Economic Empowerment (BEE) Mandates

Morgan's turnkey global supply chain creates Tier-One diversity spend in U.S. and BEE-compliant distribution in South Africa for U.S. manufacturing companies.

Pleasanton, CA, Aug. 7, 2006: D.W. Morgan Company, one of the nation's leading supply chain consulting and transportation management firms for Fortune 1000 manufacturers, announced its plans for the first supply chain, distribution and value-added reseller solution to comply with the South African government's forthcoming Black Economic Empowerment (BEE) diversity mandates.

"As an active member of the National Minority Supplier Development Council (NMSDC), we have seen the power of diversity initiatives to create change," said D.W. Morgan Founder and CEO David Morgan.

"This new program builds on our NMSDC' Corporate Plus credentials to provide certified, Tier-One minority spend here in the U.S. and BEE compliant distribution services in South Africa. Over the past year, we've worked in close partnership with the U.S. and South African governments, along with leading manufacturers to build this new initiative. We have also made direct investments in black-owned South African companies to aid in distribution and value-added reseller services. The result is a customized, end-to-end solution for manufacturers who want to maximize diversity spend and be assured that they are compliant with all South African government rules," Morgan said.

This latest solution builds on Morgan's record of achievements as a minority-owned enterprise—and one of the most trusted supply chain partners for global manufacturers. Morgan has built a successful track-record of success with its loyal customers, which is evident in the many awards it has received over

the years. Morgan won Diversity Supplier of the Year honors from Cisco Systems in 2003 and 2005. In 2005, it was selected as the Northern California Supplier Diversity Council's Supplier of the Year. Earlier this year, Morgan received "Corporate Plus" status from the NMSDC, the organization's highest level of accreditation. It has also received some of the supply chain and logistics industry's awards such as Aberdeen Research Group's "Winner of Best Practices in International Logistics 2005" and *Global Logistics and Supply Chain Strategies*, "100 Great Supply Chain Partners."

"The supply chain no longer stops at the border for U.S. manufacturers," said Morgan. "South Africa is emerging as the economic gateway to the whole African continent; if you want to compete anywhere in that region, you have to get it right in South Africa. The business solution we are proposing will be in accordance with South Africa's BEE codes of good practices while increasing awareness of the advantages of supporting U.S. minority enterprises in the U.S business community."

South Africa's broad-based Black Economic Empowerment Act was established in 2004 to address the inequalities for economic opportunities for people of color. The South African government has established a "balanced scorecard" that measures empowerment progress. D.W. Morgan's proposal helps meet the South African Government's BEE policy, which aims to undo the economic damage of the apartheid system.

Companies doing business in South Africa will be measured on their empowerment progress in seven areas such as management control, employment equity and ownership. It's a moral and business imperative that global enterprises with a product or sales presence in South Africa meet the thresholds of the BEE scorecard.

"We are confident that Morgan's solution is the right idea at the right time to meet the requirements of this initiative," said Morgan. "We all are winners when we work together to put South Africa on the fast-track to economic empowerment."

Some of the benefits of the D.W. Morgan BEE-compliant solution include:

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- Offering multinational corporations the choice to purchase in the United States or at a local site in South Africa.
- Creating BEE-compliant value-added reseller (VAR) and distribution channels.
- Simplifying efforts to achieve BEE-compliance for corporations involved in commerce with South Africa.
- Eliminating administrative overhead through a turnkey supply-chain approach.
- Providing complete, real-time transactional and inventory visibility for all parties involved in the global supply chain.

About D.W. Morgan Company

Since its founding in 1990, D.W. Morgan Company has become one of the world's most trusted supply-chain consulting and transportation management firms. The company has provided services for a Who's Who of global Fortune 1000 companies, including Cisco Systems, Inc., Hewlett-Packard, Infinera, Kaiser Permanente, B.F. Goodrich, Advanced Fibre Communications (now a division of Tellabs), Lockheed Martin, Oracle, NCR, Molecular Dynamics, and Philips Electronics. Morgan pioneered the concept of "whole-process management" for simplifying complex supply and demand challenges. Under this model, Morgan creates visibility for managers into every link in a company's supply chain—from procurement of raw materials to distribution of finished goods. With its innovation and expertise, Morgan dramatically improves efficiency and reduce costs for clients.

Morgan has earned widespread acclaim for its work with its clients. It has twice been named Cisco Systems Supplier of the Year, Diversity (2005, 2003); in 2004, it earned Computerworld Honors / Smithsonian Laureate status; was chosen for Aberdeen Group's 2006 "Best Practices in International Logistics; *Global Logistics and Supply Chain Strategies* magazine's "100 Great Supply Chain Partners" list; included in *Supply and Demand Chain Executive* magazine's 2005 "Top 100 Supply Chains" and the 2006 "Top 20 Provider Pros to Know"; and won the Northern California Supplier Development Council's 2005 Supplier of the Year award. Morgan is certified as a minority-owned business by the National

Minority Supplier Development Council (NMSDC) and as a Small, Historically Disadvantaged Business (SDB) by the U.S. Small Business Administration.

The company's headquarters is located at 6685 Owens Drive, Pleasanton, CA 94588; (925) 460-2700, fax (925) 251-0250. Morgan also maintains regional offices in Atlanta, Ga; Los Angeles; Tampa, Fl.; and Austin, Tex. An Asia-Pacific subsidiary, D.W. Morgan Pte., Ltd., is based in Singapore and serves the Pacific Rim manufacturing and supply-chain needs of Morgan clients. To learn more about Morgan's products and services, please visit <http://www.dwmorgan.com/>.

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