



A.R. SAVAGE & SON, INC.

LEADERSHIP IN SHIPPING SERVICES SINCE 1945

Greater Tampa
Chamber of Commerce
2003 Small Business of the Year Award



Submitted by the employees of
A. R. Savage & Son, Inc.





1803 Eastport Drive
Tampa, Florida 33605
Phone (813) 247-4432

June 13, 2003

Awards Committee – Small Business of the Year Award
Greater Tampa Chamber of Commerce
612 Channelside Drive
Tampa, FL 33602

Dear Members of the Small Business of the Year Awards Committee:

The employees of A. R. Savage & Son, Inc. are proud to present our application for the Greater Tampa Chamber of Commerce's 2003 Small Business of the Year Award in the 21-50 employees category.

Our company was founded in 1945 and has served the Tampa community proudly since that time. Our team members are committed to excellence in customer service, and have been for more than 58 years. We are equally proud of our record of community involvement and tradition of community service.

We would be pleased if our application simply described our company's deep-rooted history, however, A. R. Savage & Son Inc.'s story is much more than a listing of past accomplishments. Our story is every bit as much about Tampa's future – and the challenges facing our deep water Port.

Our entire team has worked hard over the past half century – and doubly hard in the past few years – to establish A. R. Savage & Son, Inc. as the leading maritime services firm on Florida's west coast. Today, we are well positioned for future growth.

On behalf of all the employees of A. R. Savage & Son, we appreciate your consideration for this award. We hope you have the opportunity to visit our operations in the Port of Tampa and learn more. Thank you.

Sincerely,

Arthur R. Savage
President

Company Overview



A. R. Savage & Son's 17.5 acre facility in the Port of Tampa was opened in 2000.



The company has been a key part of the Port of Tampa's past...



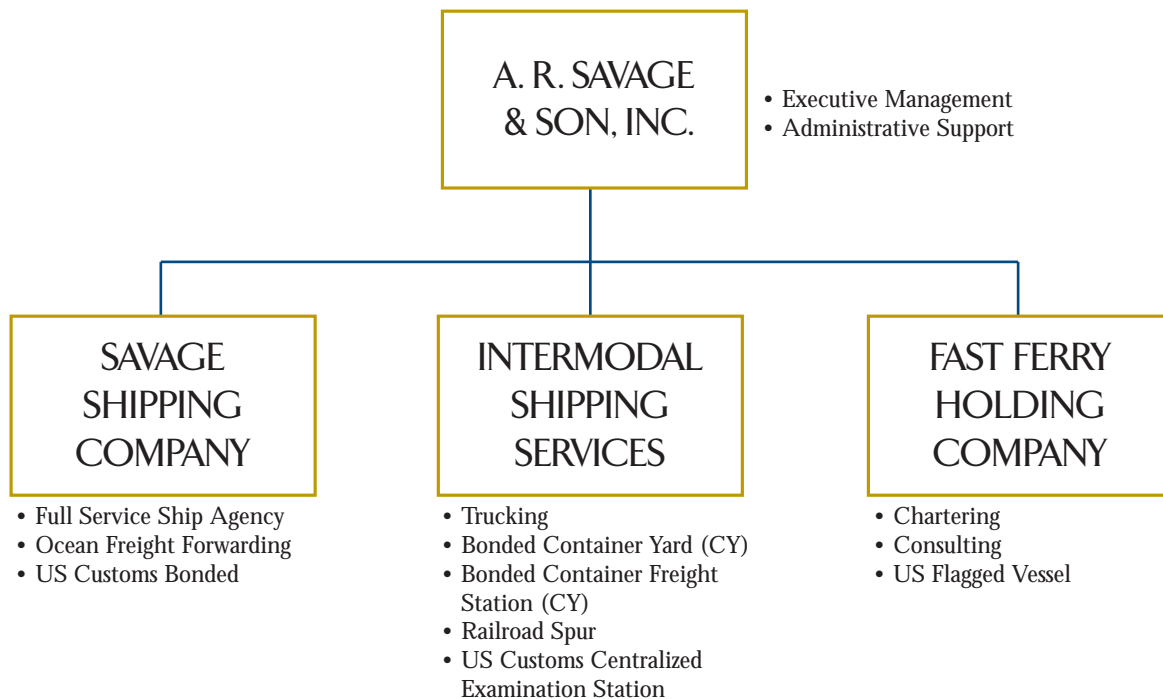
...present and future.

1 Give a brief description of your company and tell us about your products and/or services.

Founded in 1945, A. R. Savage & Son, Inc. has grown to be Tampa's leading privately-owned provider of maritime shipping services, offering a full range of services for all facets of the global shipping industry. The 26-employee company serves a worldwide customer base, and offers ship agency, ocean freight forwarding and container handling services, as well as trucking, container yard and a freight station, and providing a high-speed passenger ferry service.

A. R. Savage & Son, Inc. offers a team of experienced professionals dedicated to customer satisfaction and cost-effective results. Our headquarters are centrally located on 17.5 acres in the Port of Tampa. We are fully licensed, bonded and insured by all of the appropriate authorities.

A. R. Savage & Son, Inc. has grown to add three operating companies over the years to create a diversified asset base in shipping, trucking, container handling services and passenger ferries as follows:



Savage Shipping Company

Savage Shipping Company is the market share leader in serving vessels represented by ship's agents on Tampa Bay. We handle all of the services related to the large ships that come in to the Ports of Tampa Bay (tugboats, docking, etc.). We are one of the largest purchasers of maritime products and services in Tampa Bay. Savage Shipping Company includes:

- **Ship Agency Services** – We make all the necessary arrangements for vessels to enter, dock, load and/or discharge cargos in the Ports of Tampa Bay. Our customer base is global.
- **Ocean Freight Forwarding** – We are licensed by the Federal Maritime Commission and bonded to work with exporters to aid in the shipment of their products in ocean-going vessels.



Intermodal Shipping Services

Intermodal Shipping Services was established in 1982 to provide specialized services to owners of container vessels needing coordination of their container movements from other ports into West Central Florida. Today, Intermodal Shipping Services is the largest full-service intermodal facility and container yard on the Florida's west coast, including:

- **Container Yard** – A new 17.5-acre facility located in the heart of the Port of Tampa.
- **Container Freight Station, Warehouse** – Our 20,000 square foot Container Freight Station is used for receiving loaded containers, segregating cargo and storing it for delivery to customers. It is also used for loading export cargos.
- **Trucking Services** – Our fleet of 28 road tractors offer reliable, safe, on-time trucking services to the international intermodal shipping industry for transporting overland cargo.
- **Rail Services** – Our 1,200-foot rail spur allows us to load and unload cargo from rail cars to further diversify our service offerings and increasing the throughput of materials at Tampa's Port.
- **U.S. Customs Service Centralized Examination Station** – As the contractor for the U. S. Customs Service we operate the West Coast Centralized Examination Station. In our container yard and warehouse we are responsible for opening and unloading containers that are ordered for inspection by Customs. This is an integral part of Homeland Security's responsibility to protect U.S. borders from terrorists and contraband. Customs personnel are provided office space free of charge within our facility as part of this service.



Fast Ferry Holding Company

Fast Ferry Holding Company, launched in 1995, owns and charters a 149-seat U.S. built and flagged, high-speed passenger ferry. The ferry currently runs from Boston-to-Cape Cod in the summer months and New Jersey-to-New York City in the winter months.



In the next five years, A. R. Savage & Son, Inc. is positioned to double its current size. Our company's success will be driven by a combination of leadership, management and a skilled workforce who live up to the standards of excellence set by founder Arthur Russell Savage over 58 years ago.



2 Describe your company's history, including adversities faced in getting to where you are today.

Since the 1840's the McKay and Savage families have been deeply rooted in Tampa's business, community and civic life. The Savage family's involvement in the shipping and port business reaches back to the 1920's

- **1945** The A. R. Savage Company was founded in 1945 by Arthur Russell Savage, former Atlantic Coastline Railroad Vice President, who was Port Superintendent of Port Tampa from the 1920's to 1940. When WWII broke out he was commissioned into the U.S. Army Transportation Corps where he rose to rank of Lieutenant Colonel, culminating in his Commanding the Port of Antwerp, Belgium. Savage returned to Tampa after the war and started the company.



- **1955** The founder's son W.O. "Bill" Savage expanded the company's services to include ocean freight forwarding and stevedoring, renaming the company A. R. Savage & Son. He served as Honorary Consul for the governments of Denmark and Norway and continued to support the growth of Tampa's port and its industries. Bill was one of the original members of the Tampa Sports Authority, serving as both its vice-chairman and also as its chairman of the building committee responsible for the design and construction of the original Tampa Stadium.



- **1982** After Bill's untimely death in 1982, wife Shirley McKay Savage took the reins of A. R. Savage & Son, Inc. Her great-grandfather, Captain James McKay, pioneered shipping in Tampa Bay in the mid 19th century. He served as mayor in 1853 and constructed the first courthouse. In 1885, her Great Uncle, James McKay, Jr. was a founding member of the Tampa Board of Trade which is known today as the Greater Tampa Chamber of Commerce. She successfully guided the company into container handling services, also serving for 16 years as Honorary Consul for the governments of Denmark and Norway. Both countries knighted her for her service and dedication. She retired in 1999.



- **1984 - Today** Arthur R. Savage, the founder's grandson, leads what has become the largest ship agency and intermodal shipping center on Florida's west coast. Arthur R. Savage joined the company in 1984 after a seafaring career in which he rose to the rank of Master. Using his seagoing and cargo handling experience he innovated the "topping-off" technique for loading deep-draft, dry bulk cargo to utilize the Port's newly deepened ship channel. Arthur further diversified the company into container yards, intermodal trucking and high-speed passenger vessels. He now serves as the Honorary Consul for Denmark and Norway and has been knighted by the Queen of Denmark for his service to their country.



A. R. Savage & Son has always been a company with the best interests of the Tampa community in mind. Each new generation of the company's leadership honors and upholds the solid business ethics and innovation that have made A. R. Savage & Son successful, while continuing to promote the health and well-being of the community as a whole.



Examples of Adversity

The family's strength and commitment has enabled it to endure the many peaks and valleys of the international shipping industry over the past 58 years. One example is Bill Savage's untimely death during an economic recession at age 54, which forced his wife Shirley McKay Savage to change from homemaker to company president in order to run the business. She successfully guided the company through the recession and grew the business both organically and through acquisitions.

Another example of adversity occurred in the latter half of the 1990's. Savage's Intermodal Shipping Services division experienced rapid growth and it quickly outgrew the facilities, people and systems in place. Furthermore, Florida's Department of Transportation forced the company to relocate in order to build a new road through their facilities. After our relocation to new facilities in November of 2000 and the impact of September 11th, the Intermodal business was not performing as expected. We responded by closing an Orlando container yard and consolidating all operations in the Port of Tampa. The company has since added new, customer-focused senior management required to provide the profitability and growth that is needed to prosper.

3 Describe your corporate philosophy and/or mission statement.

A. R. Savage & Son, Inc. has always believed in supporting and promoting the community of Tampa and our Port. The company's dedication to this philosophy results in the contribution of countless hours and significant financial support to both our port and the community. Our mission and values are indicative of this commitment.

Our Mission

A. R. Savage & Son, Inc. will be recognized as a leading supplier of transportation products and services. We will succeed by understanding our customers' needs and exceeding their expectations through the employment of quality people who are committed to providing reliable, proactive services and who consistently demonstrate expertise in our markets. The success of our mission is dependent on customer satisfaction and loyalty.

We will pursue our mission through the consistent execution of our Core Values: people; stable, profitable growth; integrity; quality; reliability; accountability and leadership.

Our Values

Following are the principles and beliefs embodied by A. R. Savage & Son, Inc. and our employees:

People – Our people are the source of our strength. We believe in teamwork and the limitless possibility of collaborative energy. We support open communication and meaningful cooperation among all our colleagues. We respect individual differences, and we value diversity.

Stable, Profitable growth – It is essential to the long-term viability of every company and it is necessary to retain quality people and provide the training and tools required of a leading transportation services provider. We embrace stable, profitable growth as necessary to carry out our mission.



Integrity – A. R. Savage & Son, Inc. and our employees will conduct themselves with the utmost integrity by being honest and engaging only in ethical business practices and by being respectful of our customers, vendors and the communities we serve.

Quality – We will provide the highest quality services available by being customer-service focused. A. R. Savage & Son, Inc. will be a valuable, proactive resource to our customers by being actively involved in, and very knowledgeable about, our markets and customer needs. Our expertise will add value for our customers by providing the highest level of service at a reasonable price.

Reliability – Our staff will provide our customers the most reliable services available. We will be known as innovators in our markets that continually improve our capabilities to meet the changing needs of our customers.

Accountability – As a company and as individuals, we accept full responsibility for our performance and acknowledge our accountability for the ultimate outcome of all that we do.

Leadership – A. R. Savage & Son, Inc. will support our customers in the markets and communities we serve by good corporate citizenship through active leadership involvement.



Our People



Arthur R. Savage, President



Executive Management Team



Intermodal Shipping Team



Savage Shipping Team



Administrative Support Team

- 4** Present a management profile, including the names, titles, business experience, special skills and major accomplishments of key members of your management team.

Arthur R. Savage – President



Mr. Savage serves as President of A.R. Savage & Son, Inc. He brings a lifetime of experience in the shipping industry and international relations to the position.

Mr. Savage served aboard harbor and oceangoing Tugboats, Supply Boats, Crew Boats and Refrigerated Ships in North and Central American Trades, advancing to the rank of Master. He went on to establish and serve as President of Intermodal Shipping Services, and also established and serves as President of Fast Ferry Holding Company. He became President of A.R. Savage & Son, Inc. in 1997.

Mr. Savage has been appointed Knight of the Order of the Dannebrog by Her Majesty, Queen Margrethe II, of Denmark. He has also received a Certificate of Recognition from The Propeller Club of the United States, Southeast Region, 2000, and has served as Chairman of the Tampa Bay Harbor Safety Committee's Safety Zone Working Group. He has completed Harvard Business School Executive Education class on Strategic Finance for Smaller Businesses, as well as various Trade and Technical Schools to obtain and maintain U.S. Coast Guard Masters license. He is married with four children.

John Woelfel – Executive Vice President



Mr. Woelfel has overall operational and financial management responsibility for the A. R. Savage & Son family of companies. In addition, he oversees the administrative areas of the companies. He has over 25 years of experience in financial and business management and has expertise in strategic and financial planning, operations, budgeting, marketing, business development and human resources.

Mr. Woelfel remains a partner at the Tampa office of Tatum Partners, LLP, a national professional services firm. Prior to joining Tatum Partners, Mr. Woelfel served as Northeast Regional Manager for Parson Group, LLP, a national financial consulting company, headquartered in Chicago. Under his leadership the region grew dramatically and finished first in the company for the year 2000. For the same year, Parson Group topped INC Magazine's list as the fastest growing privately held company in the U.S. In addition to his consulting experience, Mr. Woelfel served for 10 years in various executive roles including President and COO for Saunders Real Estate Corporation, one of the largest real estate management and investment companies in New England.

Mr. Woelfel has recently been elected as a board member of the Association for Corporate Growth (ACG) in Tampa, and will serve for one year. Founded in 1954, the ACG is the premier association for and about professionals involved in middle-market corporate growth, corporate development, and mergers and acquisitions.

John is a graduate of Bentley College in Waltham, MA, where he majored in accounting. He remains active in a number of charitable and community organizations. He is married with three children.



Bruce Schuck – Vice President, Savage Shipping Company



In his role as Vice President, Mr. Schuck is responsible for overseeing the day to day operations and marketing at Savage Shipping Company.

For the 32 years prior to joining Savage Shipping Company, Mr. Schuck's shipping experience includes owning and serving as President of Western Bulk Carriers USA, Inc., as well as serving as an officer in other business ventures. He has extensive knowledge of the international ship owning and cargo industries and a strong record of proactive leadership in each of his positions throughout his career.

Bruce holds a Degree in Business Management with a minor in Economics from West Virginia University. He is married with two children, loves traveling and can speak conversational German.

Michael Hagen – Vice President, Intermodal Shipping Services, Inc.



Mr. Hagen is responsible for overseeing the day to day operations at Intermodal Shipping Services. He manages the activities of the container yard, warehouse, rail, and trucking operations.

Mr. Hagen has over 20 years experience in transportation and logistics. He has served in executive positions, and directed the operating, sales, and marketing efforts working for J. B. Hunt Transport, Burlington Motor Carriers, Comcar Industries, and Quality Carriers. His background includes operations management, sales supervision, process flow improvement and financial controls.

Mr. Hagen is a graduate of Towson University in Baltimore, MD, and holds a B.S. in Business Administration with a minor in Accounting. He has two sons and spends time coaching baseball.



5 What is your biggest challenge to keeping your company's growth momentum?
How do you plan to tackle this?

Externally, our biggest challenge is one that the Savage family has championed for generations – helping the Port of Tampa be productive and economically strong so that it is competitive with other national and international ports. A. R. Savage & Son recognizes that the Port of Tampa plays a vital role in the economic health and well-being of the entire Tampa Bay community. If it loses its competitive edge, shipping into Tampa will decrease, taking with it the exponential numbers of jobs and dollars into our local economy. To that end, A. R. Savage & Son stays in tune with the issues pertaining to the Port's health and growth. We attend all Port board meetings and are proactive in educating the Port Authority about the state of international shipping markets.

Internally, the current challenge is to attract and retain experienced, high caliber employees for our specialized services. Our workforce is our strength, and a dedicated, skilled staff is the most important factor in our success. We work to attract key team members through our excellent work environment and company benefits. Also, since A. R. Savage & Son is a stable company, we are able to obtain the sufficient capital to finance our planned future growth. We will work carefully to strike an ideal balance between incoming dollars and outgoing funds that are continuously invested in our future growth.

6 What is your biggest competitive threat and how do you plan to overcome this?

Our biggest concern is to keep the Port of Tampa economically competitive with other national and international ports. We work diligently to promote and educate the community about the Port's economic impact and needs from the shipper's perspective. To maintain prosperity, the Port of Tampa requires a balanced, diversified approach.

7 Describe your plans for your company's future.

The A. R. Savage & Son, Inc. team will continue its path of stable growth by increasing the company's focus on excellence in customer service as well as increasing its scope of maritime service offerings. In the future, the company will also consider growth through strategic acquisitions, which will serve to diversify and solidify its market leadership positions and customer base.



8 What do you like about your workplace?

A. R. Savage & Son is proud of its highly professional work ethic and atmosphere – one of honesty and integrity – built both by a rich history in the community and solid day-to-day business conduct. The company strives to treat all of our employees and customers with the utmost courtesy and respect.

Personally, we thoroughly enjoy the number of unique opportunities that our business and industry provides. Our world-wide clients provide the opportunity to experience new peoples and cultures from around the globe. What's more, working with international clients means the work is never boring – every day and situation is both unique and challenging. Meeting that challenge through hard work and innovation instills a great deal of pride in every one of us.

Furthermore, we truly enjoy carrying on our family's long tradition in Tampa's maritime shipping business. Since the 1840's our family has taken pride in Tampa and its Port, and we have worked tirelessly to improve it. We can honestly say that we are driven and deeply proud to carry on this tradition.



9 What distinguishes your workplace from that of your competitors?

We want our employees to say with pride, “I work with A. R. Savage & Son.” This pride comes from our company having a long and distinguished history of service to our community and Port, as well as our record of honest and ethical business practices. And as a family-run, family-centered company, we always make the personal well-being of our employees the highest priority.

Since the shipping agency business is a round-the-clock 24/7 business, Savage Shipping makes it a point of rewarding employees who work extended shifts. Our shifts rotate so no single employee has to work extended hours without matching time off. A. R. Savage & Son is also structured so that our employees rarely need to travel outside of the Tampa Bay area, and we have streamlined and centralized our company’s administrative personnel to allow our service professionals the opportunity to focus on our customers’ needs.

A. R. Savage & Son has created a professional atmosphere of comfort and mutual respect, giving back to our employees as much as they give to the company. Many of our employees feel that the working environment at A. R. Savage & Son is among the best in the industry. This results in happier employees free to work productively and efficiently. Below are some of the feelings we attempt to foster for our employees at A. R. Savage & Son:

- A sense of being involved
- Feeling successful and confident as part of a winning team
- Knowing their work is worthy and appreciated
- Encouraging loyalty, pride and happiness



10 What do you do to encourage your employees?

A. R. Savage & Son believes in letting its employees fully understand their responsibilities, and then giving them the freedom to handle them. We have never been a company that micromanages or looks over the shoulders of our employees. A. R. Savage & Son feels that if we create a progressive, comfortable environment of trust and mutual respect, our employees will be motivated to perform at their best.

To this end, we have instituted special programs and rewards to keep employees happy, and encourage a spirit of camaraderie and pride in a job well done. To help balance their personal and professional lives, we provide open comfortable work space, as well as offer flexible work hours, flex time and a generous benefits package to our employees. We also encourage and pay for additional professional training and seminars that our employees can undertake outside of work.

In addition, A. R. Savage & Son hosts company-paid lunches on the first Friday of each month, and we are the annual sponsors of the Port’s Shrimperoo cookout event and other charitable events. These special events and extra considerations are well worth the effort – it helps employees feel valued, happy and working their best.



11 Tell us about your corporate citizenship/community involvement.

Good corporate citizenship and active community involvement are part of the basic job description for the principals and employees of A. R. Savage & Son. Making a difference in the community has been a part of our company culture since the firm was founded, and it will always continue to be. In fact, our company's success is linked to the success of the Port, thus we must continue to be involved. Below is a partial list of our active memberships and leadership involvement activities:

- **Greater Tampa Chamber of Commerce** (Founding Members):
 - **Maritime Council** – Arthur R. Savage, Member
Shirley McKay Savage, Chairman, 1987-1988
(Previously known as the Port Development Council)
 - **Committee of 100** – Steering Committee, Member
 - **International Trade and Transportation Task Force** – Arthur Savage, Member
 - **Cuba Task Force** – Arthur Savage, Chairman
- **Tampa Bay General Hospital Foundation** – Arthur Savage, Trustee
Shirley McKay Savage, Past Trustee
- **University of Tampa** – Shirley McKay Savage, Past Trustee
- **University of South Florida** – Shirley McKay Savage, Past Foundation Board
- **Tampa Convention Center** – Shirley McKay Savage, Past Board Member
- **Propeller Club** – Arthur Russell Savage, William O. Savage, Shirley McKay Savage, Maritime Persons of the Year
William O. Savage and Arthur R. Savage, Past Presidents of Tampa Chapter
William O. Savage, Past President of National Organization
- **Japan America Society** – Arthur Savage, Director
Shirley McKay Savage, Past Director
- **Tampa Maritime Association** – Arthur Savage, Past President
- **Tampa Bay Harbor Safety Committee** – Arthur Savage, Board Member and Founding Member of
Vessel Movement Committee
Bruce Schuck, Member of Vessel Movement Committee
- **Scandinavian and Baltic Trade Association** – Arthur Savage, Director
Shirley McKay Savage, Past Director
- **United Way**
- **Tampa Bay History Center**
- **Tampa Historical Society**
- **Navy League of Tampa**
- **Kiwanis of Tampa Bay**



12 How do you manage administrative processes including payables, receivables, collections and cash management?

As a small business, attention to cost management is very important, therefore we pay particular attention to creating efficiency and avoiding redundancies. Rather than having our operating units maintain individual Bookkeeping and Human Resource functions, we have consolidated these functions in A. R. Savage & Son's administrative support group. This also allows the operating units to focus solely on customer service. The administrative support group consists of three persons responsible for all Human Resources, coordination with our Professional Employer Organization, all general ledger and financial reporting functions, accounts payable and treasury management. Our Executive VP, John Woelfel is responsible for this area.

13 Tell us about the financial strength of your company.

A.R. Savage & Son, Inc. has been financially strong throughout its 58 years of business. Our stable and conservative management has enabled us to weather the many business cycles associated with the Port and international shipping industry. Our financial strength also includes a sufficient line of credit based on the company's track record of long-term success.

The past few years since the events of September 11th coming on top of our new facility and move have been admittedly tough because all imports came to a halt. However, in 2003 we are projected to grow revenue by 10% over 2002 and return to full profitability. Going forward, with our recent capital improvements in facilities and information technologies, we are well positioned to continue our financial growth and prosperity into the foreseeable future.

Note: If selected as a finalist, we will be pleased to review our financial information with the committee in any confidential manner desired.

14 How do you help your employees balance work/life issues?

A. R. Savage & Son has always valued its employees as the lifeblood of the company and the key to its continued success. Put simply, our employees are the source of our strength. We believe in teamwork and the limitless possibility of our collaborative energy. A. R. Savage & Son's HR policies are open and flexible, working with each of our employees to help strike a balance between their personal and professional lives. Our company offers a number of options to help employees manage their professional responsibilities efficiently without having to sacrifice the quality of their personal lives. As a company, we do our level best to accommodate our employees' complex lives. A. R. Savage & Son offers flexible hours and flex time benefits, as well as personal days and the ability of working from home. We rotate our agent staff so that no one person has to work extended hours every week, and we reward those that do with three-day weekends.

Our company has also aligned with a Professional Employer Organization (PEO) to provide the employee benefits – health, vision, dental and life – that were traditionally available to only Fortune 500 companies. Again, we go the extra mile to provide the very best for our employees to ensure that they have the tools to work smartly and efficiently.



15 Why should you become the Small Business of the Year winner?

A. R. Savage & Son would be deeply honored to be chosen as Small Business of the Year. We are deeply committed to both the Port and Tampa Bay community. We are not passive “takers” – we are proactive “givers” who work everyday to strengthen our Port, and therefore, our entire community. If chosen as Small Business of the Year, A. R. Savage & Son will use the award to help raise awareness of the key economic role the Port of Tampa plays in our community. Additionally, receiving this award would be an incredible honor for the talented, passionate people that work here – past and present.

It is truly an honor just to be nominated for this award, and a pleasure to have the opportunity to discuss the business and community efforts that our company has been so passionate about for so many years. A. R. Savage & Son has a vision for the future that is not only bright, but sustainable, both for our company and the Port of Tampa. We have, and will continue to support our customers in the markets and communities we serve through active leadership involvement and good corporate citizenship.

16 List six (6) references: 2 clients/customers, 1 supplier, your banker, CPA, and attorney.

Key Customers (Tampa-based)

Jim Haitz

Norsk Hydro
100 N. Tampa St.
Tampa, FL 33602
Phone: 813 222 5724

Sal Litrico

TECO Transport & Trade
702 N. Franklin Street
Tampa, FL 33602
Phone: 813 209 4299

Key Supporters

William Woodroffe (Banker)

Colonial Bank
400 N. Tampa Street
Tampa, FL 33602
Phone: 813 314 5203

Guy King (Insurance)

M. E. Wilson Company
101 S. Franklin St
Tampa, FL 33602
Phone: 813 229 8021

Richard Herman (CPA)

Wheeler, Herman, Harvey & Lagor
400 N. Ashley Drive
Tampa, FL 33602
Phone: 813 223 5577

Paul Parrish (Attorney)

Holland & Knight
400 N. Ashley Drive
Tampa, FL 33602
Phone: 813 227 6657

