#### Intro/Outro (00:00:03):

Welcome to supply chain. Now the voice of global supply chain supply chain now focuses on the best in the business for our worldwide audience, the people, the technologies, the best practices, and today's critical issues. The challenges and opportunities stay tuned to hear from those making global business happen right here on supply chain now.

# Scott Luton (<u>00:00:39</u>):

Hey, good afternoon, Scott Luton, Greg white, and Kevin L. Jackson with you here on supply chain now. Welcome everybody, Greg Kevin. Good morning. Hey, good morning. Did y'all get snow like we did. We did. It's rain here and it's going to be almost 60 today. So I've got an extra room, Kevin, if you need a place to where at least on this, we're not in some other States in the union. That's right. That's right. Well, Kevin, we, you were missed over the weekend. A couple of us got together as we were updating some of our, our imagery for our new website being launched in March. Uh, and your ears were burning quite a bit. Uh, everybody wanted to meet Kevin L. Jackson and get his autograph.

### Scott Luton (<u>00:01:30</u>):

Come on. I just showed them the graph I've got well today. I wish I could have ever joined you down there soon. Amen. From your lips to God's the good Lord. Did you guys see, I don't know if you saw, there's an article that says we could have herd immunity by April as early as April. How about that? Well, you know, I can't recall growing up thinking I'd celebrate a, will not hear anything about immunity, but Hey, celebrate. Right. Um, but Hey, uh, for today though, for today, it's all about supply chain buzz, uh, where Greg, Kevin and I are going to walk through some of the leading headlines, a few throughout today's live stream. And we've got a wonderful special guests here today. Stephanie Stuckey, CEO of Stuckey's corporation, who is leading that company and the resurgence they had, she had some big news come out in the last week or two. So we look forward to sharing her story and POV, uh, and an update with our community. Right. Greg and Kevin. Yeah. Looking forward to that. Anytime we can talk about candy and supply chain, right? It's a double bonus, double bonus. Kevin, you were going to say something, my youth growing up, we used to do a lot or traveling by car and you know, that was the place to go. He's on the side of the interstate. Well, you know, uh, Kevin w uh, Kevin and

#### Scott Luton (00:03:00):

Will, might have to bolster on a couple extra hours in today's live stream. One of the things we don't have time to talk in, talk about with you, Kevin. Cause I bet you've got some former colleagues at NASA that we're celebrating last week, huh? Yeah.

## Kevin L. Jackson (<u>00:03:11</u>):

Oh yeah. That was great. They have videos of the, uh, landing being released today. Perseverance is amazing for all of mankind. Yeah,

## Scott Luton (<u>00:03:25</u>):

That's right. Um, okay, well, let's, uh, let's knock out a little bit of housekeeping really quick, and we're going to say hello to some of the folks tuned in. If I can grab the right mouse, I want to call out one. Peter says, Hey, nice haircut. Nice new haircut. Thanks.

## Scott Luton (00:03:42):

It looks good. And Peter inside, I knew I was spinning. I knew I was spinning the Monday with military man. So I figured I better look right.

## Scott Luton (<u>00:03:56</u>):

That's right. And, and quick side note, Stephanie psycho will be joining us about 1225. So, um, a couple housekeeping notes as we get started here today, first off, make sure you join us tomorrow. 12 noon for this power panel and folks across different business models, different sectors. They're all gonna be talking about, uh, where they've been, where they're going all from a supply chain standpoint. So Rent-A-Center ACE hardware, of course, Parker Hannifin, uh, and SGS North America I'll join the us and our friends, Omnia partners to have what should be a pretty lively panel. So the link is in the show notes to register for that. And we were just talking on the front end industry 4.0, which is, is now is as it has been now. So we're partnering with our friends at SAP and MH P Americas, which is also based here in the Atlanta area. And we're gonna dive deeper into 4.0 and learn some of the newest applications and success stories there. So, uh, that is March 23rd. So join us there. All right. Uh, and then we're going to talk about, uh, Kevin. Well, I mean for tequila, sunrise and Greg and, and digital transformers and Kevin it's been a busy week or so, uh, last week, of course, take your shot. I'll keep wanting to say, take your pitch, Greg.

### Greg White (00:05:12):

You're into baseball season. I get it, man. I totally get, but you only take the pitch when it's like three and Oh, I'm just writing. Like you shot

## Scott Luton (<u>00:05:22</u>):

Lovely that replays on YouTube. We may be releasing as a podcast as well as an awesome event, Greg and the latest, uh, transformers episode was released today with Nadia and Bradford. We're gonna talk about that here. Uh, as we get deeper into today's show. So Greg and Kevin y'all buckled up and ready to dive a little deeper.

#### Greg White (<u>00:05:42</u>):

Yeah, absolutely. Let's talk about it.

#### Scott Luton (00:05:46):

Let's do it. Let's say hello to a few quick folks here. So Jeffrey Miller who was there with us over the weekend is tuned in today. Hope this finds you well, Jeffrey pray, teak hope. This finds you will be a LinkedIn. Great to have you here. Karima also via LinkedIn. Great to see a Gary Smith from snowy, Roslyn sharing some academies

## Scott Luton (<u>00:06:07</u>):

In snowy, Roslyn, come on, man. It's not like a comic book, character or something. You do something about that.

## Scott Luton (00:06:15):

Constantine Narinda are tuned in via LinkedIn. Great to see them Mohamad is back. Uh, he's holding down the Fort these days on YouTube. Great to see you Simon, uh, Tom Raftery, Tom dropped a new, a new podcast episode today. So great to see your time. Uh, Jim, and muntadhar apologize if I got that

wrong tuned in via LinkedIn. So welcome everybody. All right. So let's dive in a little bit deeper into the news. Some, some of the headlines, right? Yeah. Now Greg and Kevin, if you haven't heard about this, then you may have had your head in a hole somewhere over the weekend, but Boeing and, and many other groups are calling for, uh, the grounding of, of seven 77, uh, with a very specific Pratt and Whitney engine type. This comes on the heels, of course. So that dingy, uh, that Denver engine fire, which was fascinating, y'all saw the video images of the right through the plane window of the engine on fire. Just see that scary, scary.

Greg White (00:07:16):

And then apart landed in somebody's yard driveway. It was raining.

Scott Luton (<u>00:07:23</u>):

So look at this right here. Imagine, imagine getting ready to hop in the car and take the kids to the mall and this lands in your driveway. Fortunately, nobody got hurt, but all of the, uh, yeah, uh, I think, uh, I think I just started jeez, Louise around the corner from Amanda. It really, I mean, this is, this is what happens, you know, when we were in, uh, Greg and Kevin, when I was in, uh, at McConnell in Wichita, Kansas, we had, uh, uh, a door fall off, uh, KC, one 35 land in a neighborhood. Fortunately, no one got hurt there as well. But, um, so, uh, the seven 77, which I think around a hundred or so between the planes and use and the planes and inventory that had this same family of engines are gonna be grounded as they get to the bottom of this. But the photos as we're talking about have been fascinating.

Kevin L. Jackson (<u>00:08:11</u>):

Yeah. Triple sevens

Scott Luton (<u>00:08:16</u>):

Agreed. And Greg

Greg White (00:08:18):

Very long haul aircraft. Right. So a lot of international flights. Yeah.

Scott Luton (<u>00:08:23</u>):

Yeah. Good point, good point. But thankfully, uh, it's really amazing how much I was playing so much damage and, and, uh, setbacks they can, they can take and, and still land safely and get everybody home safe. So, uh, we'll see, uh,

Greg White (<u>00:08:38</u>):

When you thought Boeing was out of the woods, right? Yes. That's, that's the difficulty, but it is a Testament to how these things are constructed. The fail safes that are in, in these aircraft that keep them flying, even when, and of course the pilots agreed, um, that keeps keep them flying even when something, this drastic happens.

Scott Luton (00:09:02):

Um, so moving from bad news at Boeing to, to news is getting a little bit better in Texas. Uh, as at least the weather has moved out, right, but lots of challenges remaining power outages, water shortages. Of course, the grocery store shelves have taken a big hit as has, uh, the trade and think of the supply chain

and logistics and all the highways and byways going through Texas, all that has slowed down the cross border trade, especially in the Laredo Texas area as supply chain, Dov was reporting has really taken extra extra days here lately. Uh, reliefs, uh, supplies are pouring in and here, uh, clay and Amanda, if we can drop in the comments, Alan aid, a wonderful nonprofit, uh, they really leverage private sector supply chains to get the supplies into disaster areas and, um, Kathy Fulton and the team do a great job.

#### Scott Luton (00:09:54):

So if we can drop that Allen aid link into the notes, that'd be great. All right, one more quick hitter. And then we're going to take a deeper dive into a couple of stories with Kevin. So this was interesting. Amazon does not want a union in Alabama, according to payday report, they're offering workers \$2,000 just to quit, uh, reportedly, reportedly hoping that this will take the cash and depart prior to the union vote, which, uh, wraps at the end of March. And if you've worked at peak, you can make \$3,000 to quit. Amazing, amazing. Uh, Greg, your, your quick comment on that,

## Greg White (<u>00:10:41</u>):

Do we know how many workers that is? I'm curious how that is. I mean, I think we had a recent union discussion and it was something like 11 workers that were, that were, uh, promoting a union. So, um, I, I mean, Alabama is a right to work state, so there's no obligation to join a union. Like it is in so many other States, but interesting that they must feel, um, particularly put upon to be promoting unions in this day and age to join when one doesn't already exist Seems weird though, because just recently, Amazon and chase just shut down the joint venture about healthcare. Right. And when they started it, they said it was to increase benefits for their employees and make it cheaper to have a healthcare. So I don't know. I wonder if they're related. Hmm.

#### Scott Luton (<u>00:11:48</u>):

Great question. We'll have to dive deeper in a future episode of the buzz. Um, Greg and Kevin, before we go further, we had a great question. I want to call out because, uh, Greg is mean, you know, but some of our audience members may not know Kevin used to work with NASA and was a part of some of the, um, space missions. I think what was the one, uh, Kevin we talked about on one of our first episode,

## Kevin L. Jackson (<u>00:12:11</u>):

The new horizon. Yeah, that was, uh, that was my, I was wondering if chipped, I was really proud of that.

#### Scott Luton (00:12:20):

I have a, we've got a question here. Uh, let me recognize Sharkey Sharkey's first time. So welcome Sharkey. Great to have you here via LinkedIn. We had a question from Peter. I believe Peter bullae and I can't find the comments, but I'll pose it to you paraphrase. So Kevin, uh, really quick, how long previously, uh, w w you know, how long does it take that video footage to here in earth as it relates to when it actually took place in March?

### Kevin L. Jackson (<u>00:12:48</u>):

Oh yeah. So, Oh, wonder things has been going around in social media is that people have been wondering why has it taken so long to get pictures and video from presidents as it lands? Well, first of all, it's a long way. And even with the speed of light it's, the bandwidth is very limited. I mean, you sit in your house and you complain, you can't do a live stream or the baseball game or playing your games because, you know, you're a 100 megabits per second won't work. Well, the bandwidth coming from

Mars is a lot lower than that. And on top of that, because of where perseverance is on the surface, where they can't transmit directly to earth, there's a, there's another saddle. There's another spacecraft in orbit around Mars, the Mars reconnaissance orbiter, it's been there for quite a few years. And NASA is actually using the MRO as a relay. So Pathfinder sends its data, these pictures and videos to the MRO, the, a low gain and tenor. And then Mr. MRO winter tend to position it, transmits it back to earth. So there's a lot of things going on. And, uh, besides that, I mean, perseverance has to fall in home tenacity before it gets to send us all of its beauty pictures. So all the telemetry, you know, they got to do this side and they've got to make sure they're going to be safe for the next few years. Wow.

## Scott Luton (<u>00:14:42</u>):

Kevin, I'll say it for you per se, but Pluto was tougher. It was

Kevin L. Jackson (<u>00:14:50</u>):

[inaudible] a little bit. It really

## Greg White (00:14:52):

Is. If you watch that when it was happening, you could hear, you could hear a lot of the discussion, some of the discussion they didn't mean for you to hear, by the way, if you watched it on the NASA YouTube channel. Um, but, um, there were a few people that were really enthusiastic and if you've ever seen the right stuff, you know what the term that they use, Kevin, um, and, um, you could, you could see that they expected because of the MRO, the position of the MRO. They expected certain outages of, of information during the time. And they, they knew it, but as they knew that they were being broadcast as well, they would say, we've lost, you know, we've lost, uh, communication, right? And then someone would go as is expected.

#### Greg White (<u>00:15:49</u>):

The kids are listening. It is all part of the plan as you saw. I mean, it's just part of what we have to accept when we're talking about millions of miles away for communications. So, uh, what a great story, the great win for NASA. It'd be fascinating to see what else comes out as a, starting to release more, more footage and content. Um, really quick. I'm gonna go backwards really quick. A couple of great comments made. So Jeff says the supply chain significance of the Pratt. When the engine story is traceability parts, fasters adhesives, lubricants, everything, and they're on good morning, Darrell. Good evening. Your time, uh, says interesting, Greg white, see the comments on traceability, given the conversation that y'all just had as it relates to food traceability. We were just, we were just talking with some folks in the UAE, um, about traceability and, and its importance in the supply chain. All right.

#### Kevin L. Jackson (<u>00:16:43</u>):

So yeah, you're doing a lot of work with, uh, blockchain to improve traceability of parts, food and everything.

### Scott Luton (<u>00:16:52</u>):

Yeah. Love that. Uh, so much more to dive into. And by the way, I think this is Daryl's first time in the stream. So great to have you be LinkedIn Daryl. I end up late for us and I appreciate that moving right along. Uh, we were going to go a little bit deeper in these next two stories. So Kevin, we've got a cutting edge power plant in Japan. Tell us more.

#### Kevin L. Jackson (00:17:16):

Well, you know, this last week, everyone was looking at Texas going through a horrible situation. Uh, the weather basically caused all of the electrical power plants to shut down. And you would wander by, well, the planners who built the power plants didn't imagine that the temperatures cold enough to freeze the natural gas supply lines out in Texas. And it also stopped all the wind turbines, right? Yeah. So, uh, they had like 46,000 megawatts of power that was offline statewide. And, uh, about 28,000 of that was from natural gas, coal and nuclear plants and another 18,000 from wind and solar. So in one thing, people may not notice that, well, why didn't they just borrow electricity from other grids? It's like sugar, right? Kevin, you would think, well, Texas is a whole nother country. You know, the old commercial, well, the Texas grid is actually disconnected from the other two large grids in the United States, the Houston and the Western grid.

#### Kevin L. Jackson (00:18:42):

And they, they did this and this is not a political statement, but they did it to avoid federal regulation. So when the temperature plunge, plunge, everyone turned on their heaters and the man just spiked to levels that they didn't expect to have during the winter, like during the summer, they do have, uh, you know, people present on their air conditioning and expect the spikes, but no one expects these, these spikes in the summer. I mean, in a winter summer, they can actually create like up to 86,000 megawatts, but, but it didn't. So there's this huge imbalance in the market and the power market drove the price of electricity from \$20 per megawatts, listen, \$20 to zero to over \$9,000 per megawatt. Wow. In the open market. All right. So this, this was, was, this was horrible. Well, about the, uh, about the same time it was breaking in the news is the world's first autonomous power plant that was launched our early this year in Japan.

#### Kevin L. Jackson (<u>00:20:06</u>):

And it's a completely digitized power plant. It was, uh, open just West of Colby, Japan, and it was just named the 2020 power plant of the year. It's been, it's been actually operating since the summer. And it provides Bob 166 megawatts of power to the regional grid. I mean, they use 3d virtual simulations to put into place. That's if an entire suite of digital power plant solutions put in place by Mitsubishi, uh, they use AI enabled analytics and, um, and all the processes automate it. Um, and it, it really could be the first power plant capable of operating and maintaining itself. This is just what digitalization is doing digitalization and integration to boost efficiency across in this case, the entire power supply chain from generation to consumption. So, um, this, this is huge and it can be help to balance the power grid. I think Texas may want to import some, uh, Japanese power plants.

## Scott Luton (<u>00:21:32</u>):

We're can keep talking digital transformation just a second. Greg, I'd love to get you to weigh in. I know that, um, well, I'm not sure if I've never set foot in the power plant and to apply industry 4.0 to, uh, these massive, uh, power plants and, and, uh, stations is just really fascinating. Your take. Yeah. I mean, I think there, you know, there were a lot of ways to avoid what happened in, um, in Texas, you know, statistically, statistically, an insignificant chance of what happened in, in Texas. But, you know, the truth is if you follow statistics, keep one foot in boiling water and one foot in freezing water, and you're on average, pretty warm. So you have to be very, very, very careful with statistics. Um, and, um, Texas has been, you know, I'm from the Midwest, so I've lived straight North of Dallas. So Texas has been crippled by freezing weather in the past. I mean, it's not unlike Georgia, it happens so infrequently. They're not prepared for it. Georgia is much more prepared for it since 1993, 2013, you know, some of those events.

But, um, I think you have to provision as a backup, if not two is not a preventative measure, you have to provision for response measures to do that. Certainly these kinds of power plants, um, you know, they have the kind of technology that allows them to be predictive as well as responsive. So

Kevin L. Jackson (<u>00:23:09</u>):

Winterized, they just chose not to do it.

Scott Luton (<u>00:23:12</u>):

Right. So there's going to be a lot more to come out of that, this story, but it is neat to see this plant of the year in Japan and get a plant tour when the world gets back to normal or semi normal, or what have you. Um, so moving right along, uh, we'll be bringing again, Stephanie Stuckey and CEO of Stuckey's corporation here in a few minutes here, but Kevin, let's talk about digital transformation in air cargo. Tell us more.

Kevin L. Jackson (00:23:36):

Well, yeah, so the global air cargo industry is, has really been lagging about behind some of the other logistics organizations and even the passenger business that radiation is, is really leak far ahead of the global air cargo industry. In fact, if you, I mean, when we get to fly again, everything from finding a flight, buying your ticket, getting checked in, it's all digitize and it's all connected, but bless you. But the air cargo industry has really not embraced digital position. And last year on 2020 with COVID, it really pushed the industry towards failure. Okay. So it was an existential threat and the, uh, international air transport association described it as the absolute worst year for air cargo demand. Since it started to monitor cargo performance in 1990 and that's supply chain. Right. And, um, but the companies within the industry that have embraced digital technology, they saw a banner year, um, they, the digital, the customers just flock to the companies that could actually operate virtually.

Kevin L. Jackson (00:25:11):

And they also received huge amounts of, of, um, investments. Uh, and this digitalization, you know, companies have been just pushed putting it off, pushing off. They would get to it, we get we'll get to it. Sure. But, uh, now, and it's, like I said, it's a critical part of the industry. And as a huge wave of digitalization, that's coming across the CA the cargo industry, but even like the train industry and ocean freight ocean freight have been digitizing for years. Right. So it's, it's, it's amazing why they've been so slow. So now everyone's jumping on the bandwagon, right? They want to, they want to do truck manifest with the advance information for airport. They want to use cryptocurrency for terminal charges and electronic tokens for trucks. Um, and they want to, uh, put digital business because they think is going to really change air logistics, the way that it's changed passenger transport.

Scott Luton (00:26:27):

Well, Kevin, do you know, a best practice for folks that may want to implement digital transformation effectively and successfully. I would argue then you got to check out digital transformer.

Speaker 5 (<u>00:26:39</u>):

Okay.

Kevin L. Jackson (<u>00:26:44</u>):

## Scott Luton (<u>00:26:45</u>):

And, and I hate that move so quick on these stories. I want to recognize a couple of comments before we bring on Stephanie Stuckey, but today we dropped the latest episode of digital transformers and, and by the way, led by a former NASA rocket scientist. Let me see, let me tell you, you interviewed, we interviewed you and I interviewed Bradford, um, uh, and, and Nadia Vincent here, uh, and of course, sponsored by our friends over at digital names, uh, power about total network service, but in a nutshell, Kevin, very small nutshell. What did we talk about?

## Kevin L. Jackson (00:27:16):

Well, actually this, uh, air transport thing is important because that's international commerce and Porter show. We talked about the intersection of international trade, international commerce and cryptocurrency, right? Because digitization is more than just, uh, you know, taking your piece of paper and putting it on your network. It's also about how do you exchange value and cryptocurrency is now becoming the global currency. Did you know that this week, the price of a single, the value of a single Bitcoin exceeded the value of a gold bar? It went over \$58,000 for a single Bitcoin. Um, and this, uh, pandemic is driving a lot of national, um, uh, governments to push their own money into the economy, which is going to drive inflation. That inflation is going to make the value of Fiat currency lot lower. And it's actually a drop in the value of cryptocurrency up. So if you're doing international trade, if you are managing supply chains, you, you really need to think about digitizing your finances around supply chain. And so we're going to talk about that.

## Scott Luton (<u>00:28:48</u>):

Excellent. And you can find that, uh, on supply chain now, wherever you get your podcasts from it dropped today. And it was a really neat as, as the non technologists in the room. It was neat. He, my 17 pages of notes, uh, it was a great conversation to be part of. Okay. Uh, so let's do this Greg and Kevin know we're moving fast. We're gonna bring Stephanie Stuckey into the stream here momentarily. I want to, I want to recognize just a couple of folks, uh, as Aaliyah will make this be a rhetorical question. They we'll circle back as we have time, but she asks a great question. What if we move into digitization too fast? How do we control quality? So great question there as Lee, we'll try to reference that throughout the rest of their time here. Um, let's see here. Darryl says

Kevin L. Jackson (<u>00:29:32</u>):

Control.

Scott Luton (<u>00:29:35</u>):

Darryl says Dubai airport just introduced facial technology as your traveling passport, rather handover or fiscal

Scott Luton (<u>00:29:42</u>):

Passport for check-in and passport control. Love that AA going back to Texas, he says Texas utility needs. Um, was that in, in, I'm not sure the acronym optimization, it's a methodology. Ah, gotcha. Um, he said, this is going to be a big part of this future research on asset management in electric power systems. What a motivation now, AA, you're going to have to report back on all that research. Um, let's see, Tom says climate climate scientists have been predicting events like this for years, uh, in events like this will

recur for more frequently. Uh, and then finally, T squared via YouTube says, can we all say due diligence and contingency planning? What about master planning? We have to acknowledge that the economics of this is why they w why these sorts of things happen, right? I mean, we've seen it in supply chain, uh, in 2020 and 2021, we've seen plans be accelerated. We've seen, uh, planning models changed because people have relied largely on the statistics and, um, and the economics, I mean, it's expensive to do what we're proposing for Texas to do, which is to winterize those, those wind turbines every single year. Right. And they have rolled the dice and this time it came up snake eyes.

#### Kevin L. Jackson (00:31:06):

Well, actually there was some, there was some questions being raised though, when they had such a price spike, the question is the managers, did they decide to shut down? And instead of paying more, I mean, they could have bought more electricity, just simply shut down instead.

## Scott Luton (<u>00:31:31</u>):

Uh, you know, we're going to, there's going to be a huge, uh, diving into, um, you know, a lot of the root causes here. A lot of the big decisions that States governments, local leaders have to make. So appreciate what you and, uh, uh, Greg and Kevin are addressing here and all the comments. So, uh, clearly it's an issue that deserves a much fuller conversation. Uh, but Greg, I'm still, I'm a little bit slow as you know, I'm still trying to get over and I'm, uh, still completely still at one foot in this bucket. And one foot in that bucket. And the average is really quick. And Rica Alvarez is reading your book, click the transfer.

Kevin L. Jackson (00:32:07):

And it's interesting.

#### Scott Luton (<u>00:32:09</u>):

So I'm sure, you know, Enrique is the kind of person you want. If you write a book, you want to make sure you're connected to him because he's like a book distributor, isn't it, Greg, if he finds something he likes, he passes it on. So, Ricky, I hope this finds you well, great to see over the weekend. Okay. So moving right along, goodness gracious, Mars to Texas, to, to Amazon. Um, we are really covering the gamut we are going to, uh, so folks, if you've ever seen this, one of the Stuckey's retail

## Scott Luton (<u>00:32:40</u>):

Centers along all the highways and byways across the country, uh, Greg, I think you and Vicky, uh, talked about how you'd, uh, stop whenever you drove from Arizona to West Virginia. Uh, and as part of that, you know, part of your upbringing. So, um, we are pleased here today to be featuring Stephanie Stuckey, CEO of Stuckey's corporation. We're going to have a lot deeper into the story. Hey, Hey, Stephanie, good afternoon. And we have got, I think you're muted, Stephanie. Uh, that's happens to all of us. There we are. Well, if you can't tell, I'll tell you, we we've been around the world and then some on the first 30 minutes around the solar system. Yeah, that's right.

Stephanie Stuckey (00:33:31):

He's on Mars. I think that would go over.

Scott Luton (<u>00:33:36</u>):

So that's right. Uh, well, great to have you back. Uh, Greg and I, but really enjoyed our sit down with you, uh, a month or two ago, uh, where we're kind of learn more about, um, what you're leading, uh, as you look to reinvigorate, uh, and, and really have a resurgent organization that, that so many people love and have known, uh, as they traveled highways and byways, but tell us really quick, in a very small nutshell, no pun intended for two or three for two or three folks that may be unfamiliar with stuck as corporation. Tell us a little about the company.

## Stephanie Stuckey (00:34:20):

Sure. Thank you for having me. So Stuckey's was founded in 1937 by my grandfather, as AP can stand on the side of the road in Eastman, Georgia, a hint, the, uh, hence the nut joke. And it grew, it grew from those very humble beginnings to at our peak, we had almost 370 stores and 40 States across the country and almost exclusively well exclusively on the interstate highway system. I've got a picture of one on behind me, shamelessly in my living room. And you showed a photo earlier. I think a lot of people, especially in the seventies, if you took a road trip and a Woody station wagon with your family, you would have stopped at those blue roofs, Stuckey stores and gotten, he can based snacks. We're best known for our P Ken law role. And the company fell out of family hands for decades. My father got it back, but then he retired like a decade ago and the company frankly, has really fallen on hard times. And I had a complete career change a year ago, bought the company and have been turning it around within six months, we started showing a profit and we have some big news. I can get to that in a minute, but we are turning this brand around and it's been incredibly encouraging.

## Scott Luton (<u>00:35:35</u>):

Awesome. Well, Greg, and then we've got a couple of questions

#### Scott Luton (<u>00:35:38</u>):

On reference Jim really quick. He said he just placed his order. Perfect timing. Thanks so much for joining us, Jim. All right. So Greg, where are we going next? Yeah. Well, you know, when we talked before you were, um, embarking on a few new areas within the company. So w one, I think we'd love to hear how the brand revitalization and the business model revitalization is going, but it also includes your own manufacturing plant as well. Right. So tell us a little bit about that, how things are coming along.

## Stephanie Stuckey (00:36:15):

Yes. So we closed two weeks ago on purchasing a manufacturing facility. It's actually three companies. It's a pecan shelling company, a candy manufacturing facility. So I'm getting my Willy Wonka on and also a fundraising business. The company has been around since 1935. So two years older than my grandfather's company. My grandfather actually did business with the pecan company that we purchased. And so we've gone from 10 employees to 130, so major changes, right? Integrating companies into ours. So a lot of work to be done, a lot of supply chain issues. We're addressing,

## Scott Luton (<u>00:36:56</u>):

Hey, really quick, Charles Walker, uh, Charles hope this finds you well, wonderful veteran voice interview. Charles, have you run into walls? He says joy buying, eating Stuckey's peaking logs always stop when he visits Tennessee. Good stuff there. Uh, okay. I have to ask for people who don't know, tell, tell us a little bit about the construct of a peak and log stuff.

## Stephanie Stuckey (<u>00:37:20</u>):

Thanks. So, first of all, I am issuing an invitation for you to all come to the manufacturing facility. You can live stream on the candy plant floor and we'll actually show the viewers live, how we make the pecan log roll, because it is a wonderfully delicious process. The center is nougat, which is really just whipped syrup, sugar cane syrup. And it's really nice

### Greg White (<u>00:37:45</u>):

In the middle of a Milky way, right? Is that new? Good,

### Stephanie Stuckey (00:37:53):

Like a thicker, the, the new get that we have in the middle is almost like divinity. If you're familiar with it, it's really fluffy. And the secret ingredient for Stuckey's is that we put maraschino cherries in the new get, which is really hard to do without turning the new, get pink. And ours is white little flecks of red cherry, and it is delicious. And then you pour caramel all over that. And so it's, it's actually, the machine is called an Rover. Doesn't that sound great. So waterfall caramel and the, the tubes of the log roll. Good. The nougat go under there and get bathed and caramel. And then you it's hand rolled and freshly roasted Georgia pecan pieces.

### Stephanie Stuckey (00:38:51):

And there's nothing better than a pecan, you know, like the crispy cream hot. Now we need to have girls because the factory, the cool thing about the factory, we don't have any company owned stores, which has been the bane of my existence because trying to manage doors that you don't own or operate or try to have some quality control, not manage is really been a challenge for me. So we're going to have a factory store. There's a factory store right site. So we'll have the candy fresh from the factory at the retail store onsite. I recon law for business. I was not planning on doing that. And I had another career. I was head of sustainability for the city of Atlanta. And then I was working as head of sustainability for an environmental non-profit in Atlanta and teaching law at the university of Georgia. Of course I focus full-time on Stuckey's and I certainly don't do it alone. We have an amazing team I'm CEO, but we have a president and he's at the manufacturing facility. Now he has moved to wrens, Georgia, and he's managing the plant.

## Greg White (<u>00:40:21</u>):

Do you think he's keeping the lines running,

#### Stephanie Stuckey (00:40:24):

Just keeping the lines running and like the chief marketing officer. So I do a lot of the forward facing branding presentations for the company. Now, having said that my business partner was recently on, uh, eight local y'all was the PR podcast and he was awesome. So RG is an expert on import export. He knows a lot about manufacturing. He knows supply chain, and he's also a pecan farmer. So he brings a lot of skills.

### Scott Luton (<u>00:40:55</u>):

Wow. So, you know, in the comments, uh, from Spain to United Arab Emirates to, uh, Canada, they're all looking to see where can they get the peak end roles? And I think Amanda dropped, uh, the Stuckey's, uh, link in the comments. So right there folks

#### Stephanie Stuckey (00:41:14):

Broad though, I hate to say, I would love to figure that out, the shipping costs are killing us, but we are exporting pecans and we just export it to container loads to Taiwan. Yeah. Savannah.

#### Scott Luton (00:41:27):

So, Greg, uh, let's see here. We're going to have, I have a quick question about, um, Stephanie,

#### Greg White (00:41:34):

You have long been an advocate for sustainability and environmental issues, and as you said, practiced environmental law, and you mentioned in the pre-show that there, there are some concerns around the candy industry and the sustainability of that. So can you tell us a little bit about that and kind of what you're doing to attack those issues?

## Stephanie Stuckey (<u>00:41:56</u>):

And I don't want to single out the candy business, both, first of all, I'm, I'm still getting into the candy business, even though it's my family name. I haven't been in it, so I'm still learning a lot, but it's manufacturing in general that I think there are a lot of sustainability issues that need to be tackled. And first and foremost is the number one cause of greenhouse gas emissions is the built environment and that is coming largely from big buildings. And so manufacturing facilities, chief among them, they're big energy users. We certainly seen in Texas, the challenges where you've got to have a reliable energy source of the entire economy falls apart. So I would love to look at energy efficiency and solar for our facility. We're not there yet in our budget because there's a return on investment is to take us a few years where we can have the cap ex to invest on the front end.

## Stephanie Stuckey (00:42:50):

Having said that there's a lot of great grants out there. So anyone listening has got a manufacturing facility, check out some of the USDA grants for ag manufacturers and department of energy also has grants. So we'll be looking into some of those opportunities, also how we manage our, our supply chain, how we manage our product, where we source our product from ideally you're sourcing your product locally. So you're not having to ship it from all over the country that increases your carbon footprint. And it also just tastes better. I think if you have a product that you process locally. So at our plant, we are actually shelling pecans onsite, and they're going right next door to the candy plant. So you can't get anything more locally sourced than right next door and it's going to taste better and the customer is going to benefit and we're looking at life cycle of our products. So we're experimenting in the next few weeks with using some of our pecan shells, this mulch. So stay tuned. I'll be posting on that on LinkedIn. Yeah. We've got some full partners on that. I can't say anything just yet, but we'll probably have a press release

## Greg White (00:43:55):

So, well, I appreciate, first of all, I appreciate you sharing that and it's, um, I think this is a really nice juxtaposition of your skills, right? Your family history is in candy. Your professional history is in environmental. Um, you're now involved in manufacturing where you can really, really impact that. And I know you you're taken as you just outlined a ton of measures to really increase the sustainability of your production, but also the organic and sustainable nature of your product itself. Uh, and that's really commendable. So tell us one, how's it going? And what do you see in the future for Stuckey's because you have dramatically changed the business model of this organization. So share with us a little bit,

#### Stephanie Stuckey (00:44:46):

It's going well, although we certainly have the challenges that everyone is facing right now with COVID and not just supply chain, but since we're primarily situated on America's highways on the exits, we're having challenges, getting traffic to our stores. So we've had to pivot and adjust, and we started selling our product to retail customers, retail partners. So we have some 200 retail partners. Now, many of which we've gotten in the past year, like ACE hardware stores and Dollywood. Dollywood's not as busy right now as we'd like it to be, but ACE hardware. And we've, we've had a big box retailer reach out to us recently. I don't want to say just yet. I don't want to jinx it and I hope it'll come through, but they're interested in carrying our product now that we manufacture, we can meet the margins that these larger retailers require and we can meet the certifications.

## Stephanie Stuckey (<u>00:45:43</u>):

So that part of it's really exciting. I think the major shift for consumers and this would be of interest to listeners is you really have to figure out what's driving your revenue. And even though it's hard, and for me, it's emotionally hard is as well as just changing how we do business to shift. But we have to get away from focusing on our stores as much as we're known for the Stuckey stores and focus on our product because we're making our revenue from our product. 70%, 80% of our revenue comes from sale of our candies and our pecan snacks and our merchandise and, you know, stuff like this t-shirt that I'm wearing, which is our best selling t-shirt by the way, but that's where we're making our money. And so I really had to double down on learning to promote the product almost more than the stores and hoping. And I think consumers are realizing you don't have to necessarily go on a road trip and stop at a Stuckey's to get that Stuckey's experience. You can go online. And our online sales are up 550%. So yeah.

## Kevin L. Jackson (00:46:53):

Yeah, this is amazing. I mean, I really, I really loved business models. I'm a geek for business models. So, but then, uh, your decision to digitally transform Stuckey's drive you to get into manufacturing or did the decision to manufacture drive digital transformation across the entire company? Hmm.

## Stephanie Stuckey (00:47:24):

I don't think one drove the other, I think, yeah. I mean we realized, I realized, and then my business partner, I brought him on board six months after I bought the company. When I realized I couldn't do it alone. And I needed someone like RJ is my partner, but we realized pretty quickly that we, we were making our profit from the sale of product, but we weren't getting the margin that we really need to reach the numbers that we want. And the only way you can get the margin rethink is to make it ourselves. I mean, either that, or you source it cheaper, but that's, that's hard. Right. And you're dependent on others. The other advantage of making product yourself is that you can private label and I'm sure most of the listeners are familiar with that. But if you go to whole foods, for example, and you see their, um, their in store branded product, that's usually, I mean, whole foods doesn't make that they'll pay someone to make that product for them, or then you see their in-house brand. So we now have the capacity. If Cracker barrel, if you're listening, we'd love to make your P Ken law girls for you.

### Greg White (00:48:39):

Wait a second. Is it even legal for anyone else to make? He can log rolls?

## Stephanie Stuckey (<u>00:48:47</u>):

Yeah. Vertical integration. Somebody commented on that, Gary you're right. That's exactly what we're doing. We're vertically integrating. I like to say from tree to table because we own the pecan trees as well. Right? So we really are. And more so than most retail operations that are on the, on the interstate highway system. I don't know any others that is known for a specific product like we are, and that is now making that product. And we have a distribution facility in Eastman, Georgia. So we make our product, we distribute our product and we sell our product.

## Kevin L. Jackson (00:49:24):

Oh, like saying you are a taste study and did your transformation because it's not just technology. It is the entire business, the entire business model. And I commend you, well,

#### Stephanie Stuckey (00:49:39):

I want to say digitally, we really need some help. And I think that's a challenge with small businesses is especially ones like Stuckey's that have been around for 80 years is adapting to tech technology. And we really could use some help. Like our, our online sales platform is not integrated with our accounting software challenge for us.

### Greg White (<u>00:50:04</u>):

It's, it's interesting because when I recollect on our previous conversation, Stephanie, it was a foundational transformation that includes some digitalization, right. But truthfully, you had to accept the fact that you did not make money with what your iconic brand stood for, for so many Americans, which is the stores themselves, but instead on the product and

#### Greg White (00:50:28):

Sort of divest yourself, at least emotionally of the stores to focus on making, making the brand and the product itself, the core, the center of what we do, right.

# Stephanie Stuckey (<u>00:50:40</u>):

That's not to say it's not part of my strategic longer-term plan. And if there are any investors out there that want to partner with us and help me build some new stores, I'm open to that discussion. But we have to be realistic about where we are right now. I do have a dream of having some corporate owned store that would just be absolutely amazing destination experiential locations. And I've got my creative brief on it. I mean, I have a two-page creative brief that this is what I do in my spare time. I dream about what I want this store to be like, and we'll get there someday. But right now we're selling our product.

#### Scott Luton (00:51:18):

Undoubtedly, two quick points. First off, Gary Smith. Thanks so much. Uh, you've been on you, you were on Gary's radar for quite some time. Gary is originally from Georgia and, uh, he connected us is how we, uh, came to interview on the first podcast. So thanks for you. Tip of the hat, Gary and Stephanie, the, the, the, uh, question may not question, but it's just on the note. Where's the cat today. Where's the cat.

## Stephanie Stuckey (<u>00:51:43</u>):

It's usually jumping all over the place. She's asleep on my wifi box downstairs.

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Scott Luton (00:51:51):
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Oh gosh. All right.

#### Stephanie Stuckey (00:51:53):

One important question though.

#### Greg White (<u>00:51:58</u>):

Ooh boy, we did this last time. Didn't we,

#### Stephanie Stuckey (00:52:02):

I get asked to weigh in on that all the time. And I am in the minority. I say pecan and 70% of Americans, including my business partners say pecan.

## Scott Luton (<u>00:52:17</u>):

There are arguably, there are three ways to say it pecan, pecan or pecan. My great grandmother used to say pecan pie, right? My mother says con Oh four, what's the fourth.

## Stephanie Stuckey (00:52:36):

He can pecan pecan pecan. It's all in. It's all in the accent.

### Scott Luton (00:52:44):

Blown my mind with that. Do our first interview with Stephanie in one sentence, she says it two different ways. Context. I'm sure there's a whole language around this. Well,

## Stephanie Stuckey (00:53:00):

But they say, they say PKM. When you pick them pecan, when you sell them,

# Greg White (<u>00:53:09</u>):

Get a much higher price than pecans though. Hey, let's make sure. So looking forward to the production plant in orange, Georgia coming online, you have a rough timeframe for when, when that will be up and running.

## Stephanie Stuckey (00:53:23):

It's running right now. It's running. A lot of girls are being made as we speak that chocolate's being churned. Yeah, no, we bought a fully operational facility.

## Scott Luton (<u>00:53:35</u>):

Okay. I saw some of the pictures and, and by the way, y'all got to follow Stephanie on Twitter. Especially if you like visuals. I saw some of the pictures of the, of the, uh, the plant way back when, and I just assumed that y'all had bought the facility you're up and running, but you're already making stuff, which is really cool.

#### Stephanie Stuckey (00:53:51):

The photos you saw was the candy plant in Eastman. That was my grandfather's candy plant. And I would have loved to have revived that, but it is beyond repair and it's owned by someone else. But the current owner is interested in selling us some of the old candy equipment. So that's what that post was about. It's my dream to see if we can just revive some of that equipment and get it running again. And because of that LinkedIn post, I had the man who originally his father originally sold that equipment to Stuckey's. She runs the company. Now he's like, I can get you parts for the equipment.

## Scott Luton (00:54:27):

Yeah. Love that. Well, Hey, uh, so much more than we, we could dive into, there was a connection, uh, the Mazzeo and Stuckey's was, she I'll have to check out Stephanie on LinkedIn to learn more of the story there, but Stephanie, how can folks connect with you and, or Stuckey's? Okay,

## Stephanie Stuckey (00:54:44):

Well, just follow me on LinkedIn and I apologize up front. If you try to connect with me, LinkedIn will not. Let me add any more connections. So I'm sorry, but please follow me. And I do my absolute best to answer DMS and I'm on other forms of social media is at Stuckey stop

### Scott Luton (<u>00:55:01</u>):

Of it. LinkedIn connections may be limited, but not the peak and logs will keep coming

## Stephanie Stuckey (00:55:10):

Post. I read all the comments. I try to respond to comments though. There are many ways to communicate with me and it's LinkedIn's fault. Not mine, although I love LinkedIn, but they shouldn't let us, they should have unlimited contacts.

## Scott Luton (<u>00:55:23</u>):

Yeah. Let us, let us connect and associate, uh, well, regardless, that's part of their digital transformation is to allow unlimited time, always a pleasure. Uh, we'll have our finger on the pulse again, soon, congrats on all the growth and success and, and just reinvigorating a brand that so many know and cherish. Uh, we'll have to have you back home soon, but all the best we've been talking with Stephanie Stuckey with Stuckey's corporation. Thanks so much, Stephanie. Thank you. My pleasure. You bet. Talk soon. Wow, man. There's so many different elements of that story that are fascinating. You know, it's tough to get in in 20 minutes time. Well, I'll tell you, Scott. I think it, people would serve themselves well by going back and, and reviewing our interview with Stephanie the first time, because of the story of how she got into the family business, um, is inspirational, no matter who you are. Um, but certainly for any women who want to be leaders and, and the difficulty

## Greg White (<u>00:56:24</u>):

Of breaking in breaking through, even in a family business is exhibited there. And I think, um, Stephanie has done a great job. In fact, Sharkey asks how much of the decision-making is emotionally driven because of family owned business. And she talks about that in, in that episode. And I think just such a fantastic job of balancing the emotional aspect of it because the emotions are more hours, I think, as consumers than hers. Um, but she does such a great job of balancing that with the need to pivot the company company dramatically. And she goes into great depth in that, in that episode. Yeah,

#### Kevin L. Jackson (00:57:03):

I'll say, great. That's going to be great things coming out of that Stuckey and Stephanie, this is, um, this is something that, you know, professionally and personally, I think a lot of people will follow and that will go a long way to how Stuckey's really ruined in general energy energize itself.

## Greg White (<u>00:57:25</u>):

Yeah. And whatever it takes to save her from politics and where she can actually, we get candy and she gets the heck out of politics. So

## Scott Luton (<u>00:57:37</u>):

She gives us a thumbs up. It says, I can laugh at that. So Stephanie, we can laugh. Um, so Greg and Kevin, as we, as we start to wrap and folks, I know we couldn't get everybody's comments. Thanks so much. I saw some great comments and, and, and several intriguing questions. It was tough to get through it all, but, but let's make sure folks know what is on both of you, your plates, gentlemen, uh, Greg, on the heels of take your shot last week. What's next from a tequila sunrise

## Greg White (00:58:05):

Standpoint. Yeah. Well, I mean, uh, we're live again. Um, so, uh, first of all, uh, we're releasing an episode with, uh, Dawn Salvucci favior who is the acting CEO of green screens.ai. I love the irony of the name of that company. It's an AI, um, freight enablement technology, but green screens is the legacy way of approaching it. So I think they had a little bit of fun coming up with that name. And then of course this week live, we have Sally eaves, Dr. Sally eaves. Um, if you're, if you're a fan of the blues brothers, uh, the blues brothers discover that they need some church in up. And, um, if anyone needs some, uh, philanthropy, it's people in technology and Sally is a great advocate for, uh, goodness in technology and technology organizations getting involved in philanthropic org, check her out on LinkedIn, man, before you listen to this, the number of entities that she has been and remains involved with that are doing good, uh, is really, really inspiring. So Dr. Sally that's

#### Scott Luton (00:59:22):

Noon, Wednesday, not Thursday, not our usual, uh, day first for, um, tequila sunrise live because Sally is kind of a big meal for her. Well, that's gonna be a great episode. I'm looking forward to, to being in the cheap seats for that one on Wednesday. Uh, Greg, uh, all right. So Kevin, we talked about the episode he dropped earlier today. W what's what's next from digital transformer standpoint?

#### Kevin L. Jackson (00:59:53):

Well, you know, we're all about helping businesses, um, move forward and we're going to have a T and T business on the show in March where they're going to talk about how blockchain is really changing business models across every industry, and especially with the global rollout of the fifth generation telecommunications infrastructure and 5g, but wait, there's more, we're also expected to have Esker. So asker has this cloud-based platform that allows businesses to really power the digital transformation across from procure to pay and order to cash processes. And to really, as they say, you might customers and suppliers like never before. So that's, that's really big for us. March is a big month for us.

## Scott Luton (<u>01:00:51</u>):

Agreed, agreed. Looking forward to that, of course, looking forward to this Wednesday, uh, so much, uh, so much, so much, a little time as always just like today on the bus, but, uh, really have enjoyed, uh, that new series digital transformers. Um, and don't forget to take your shot that Greg and I referenced, uh, is

available on the YouTube. Uh, is that right, Greg? Yeah, tequila, sunrise, YouTube. And if you enjoy, if you enjoy business models,

## Scott Luton (<u>01:01:22</u>):

Business models, if you, if you like kind of a shark tank ESC, um, uh, livestream, check that out. W we featured three wonderful entrepreneurs that are already doing big things, so, and judges, and we, I think we're developing our own. Mr. Wonderful on that. Um, all right. So big, thanks to everyone that tuned in big, thanks. Of course, the 70 Stuckey who dropped by today, make sure you check out if you're in the, if you're in the us, uh, make sure you check out stuckey.com. We already have the link in the comments, uh, on behalf of the whole team here. Well, first off, let's make sure folks know, Hey, if you want to learn more about any of the things we talked about, kind of the clearing house supply chain now, where we serve as the voice of a supply chain, but you can go there to find links to any of these shows.

#### Scott Luton (01:02:08):

You can go there to connect with Greg and Kevin and other shows a tech talk that digital supply chain podcast this week in business history, veteran voices, which Kevin we've got a great one coming up, but you can find information@supplychainnow.com. All right. It's a busy Monday on behalf of, uh, Greg white and Kevin L. Jackson, Amanda and clay, and Natalie, and the whole team here. Hey, this is Scott signing off for now. Hey, challenging you like we challenge our team every single day, every hour. Do good, give forward and be the change that's needed. Be just like Stephanie Stuckey. And on that note, we'll see next time here on the supply chain now. Thanks your buddy.

## Intro/Outro (<u>01:02:47</u>):

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