

# Esther Cintrón Rivera - President & COO, Islandwide, Puerto Rico

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*Esther Cintrón Rivera, newly appointed president and COO of Islandwide, Puerto Rico's largest logistics provider, outlines the main objectives of her presidency and the opportunities present in the island's logistics sector. She also highlights how the company will remain a reliable integrated solutions provider for highly specialized industries.*

## **Leveraging your experience, what are the main trends we are currently seeing in the life sciences field in Puerto Rico?**

Healthcare continues to be a main driver for the economy in Puerto Rico, however, there has been a shift from pure manufacturing to more R&D related activities as well as logistic and distribution streamline. We were and continue to be experts in manufacturing operations, as well as general supply chain activities. However, today, we see a new integrated ecosystem opportunity including academia, research and development activities and holistic manufacturing processes, anchored under the overarching supply chain logistics, transportation and distribution in the healthcare field. The main shift needed is the patient service orientation, which includes knowledge leverage and integration of the entire value chain, having the patient at the core. It includes the organic link of manufacturing companies with healthcare services providers and medical insurance companies.

Puerto Rico has excellent expertise in manufacturing processes and a long history working with all related regulatory bodies and authorities. While R&D used to be a function that was mainly located at a company's headquarters, today, there are an increasing number of small- and medium-sized R&D companies coming to the island, and Fortune 100 companies using the services of smaller local ones. The government's business policies, particularly law 22, has been an also, an opportunistic enabler for those companies to come to Puerto Rico.

### **What opportunities does this open for the logistics sector?**

In this new environment, logistics companies are the connector of the entire ecosystem, which includes academia, manufacturers, distributors and healthcare service providers like pharmacies, hospitals, and medical insurance companies. Supply chains management is all about source goods in an optimum way, find the right balance in terms of service levels, inventory and cost management, and streamline transportation and delivery lead time to patient and end-users. There are core elements for the logistic sector, in the innovation and information systems arena. Examples of that aspect are the electronic data and management systems, supply relationship management, customer relationship management, business intelligence, and analytics. The logistics and transportation companies that can invest in innovation advancing their specialized capabilities and solutions are at an advantage stage.

### **Can you give our international readers an overview of the Islandwide and its main services?**

Islandwide is the largest transportation and logistics company in Puerto Rico, celebrating its 50th anniversary this year. While the logistics and transportation market in Puerto Rico is very penetrated, we are able to offer services that even global competitors are not able to offer. This includes warehousing, orders fulfilment, inventory management and expedite inland services, both B2B and B2C, including home deliveries. Our network includes a central distribution centre and five terminals across the island. We manage nearly 250,000 deliveries per month to businesses, especially in healthcare-related fields. In addition to manufacturing companies Islandwide also serve health providers and distributors. In addition to the healthcare industry, we serve the bank, communications & electronics, retail, consumer goods and automotive industries. As part of Islandwide's solutions portfolio, we offer technical solutions, analysis and development support, to be in compliance with the requests from clients with current and future needs. The central system

of Islandwide is based on a “cloud environment” and each of our terminals have 3 methods of redundant communication (microwave, LTE and satellite). It includes business intelligence systems and CRM for complete 360° view of their shipments, including reports, KPI’s and Inventory Control.

**You have been appointed as the president of Islandwide in spring 2019. What have you identified as the main priorities in your new position?**

As Islandwide’s new president I have set out three main objectives as part of our new strategic plan: The first one is to position ourselves as the key solutions partner for the complete ecosystem. We are not just another transportation company or case mover but provide customized solutions for specialized industries. While we have an excellent position in the transportation field, our new direction includes the optimization of routing and deliveries with business excellence best practices in parallel to keep expanding our portfolio in logistics, fulfilment and 3PL. I have seen many companies warehoused stacked with inventory worth millions of dollars, which is highly cost-intensive and ineffective. We want to help these companies, which are certainly experts in manufacturing operations, to become more efficient in organizing their supply chain and warehousing approach and on this way to be more cost-effective and service focused.

The second aspect of my strategic plan is to enhance the plan, source and delivery portion of our operations in collaboration with our business partners. Particularly in healthcare, we have to keep the patient in mind and while we have great quality in manufacturing, we need to step up on the logistics side to get this quality to the patient. We want to be the partner of choice for sourcing and delivery, providing a complete one-stop solution platform. In order to do that, we will be creating an optimized strategic sourcing & procurement function and processes with effective and efficient management of our supplier base.

Our third priority today is supporting and enhancing every aspect related to business excellence in logistics operations, for example, flow optimization of activities, improving delivery density, enhance efficiencies, reduce waste factors and improve products and information flows. There are many more indicators which we can apply to logistics operations to optimize performance and this is what we are looking to do. It will include the portfolio rationalization to keep strengthening excellence in service and lasting customer relationships.

**How do you differentiate yourself from other global logistics providers also present on the island?**

Specialization, quality, agility and unsurpassed service orientation are key in meeting the current logistics needs for companies involved in Healthcare and R&D. Healthcare is a highly regulated field and Islandwide meets these needs, with specialized tracking for prescription medicines. Our main hub is in San Juan, but we have terminals all over Puerto Rico in Caguas, Ponce, Mayaguez and Arecibo, which allows us to serve the whole island. Our comprehensive capabilities and capacities are unique in the logistic market in Puerto Rico. Our aim at Islandwide is to portray supply chain logistics providers as the enabler for healthcare companies, allowing them to focus on their core business areas of R&D and manufacturing, while we used our expertise, the economy of scale and reach to manage this critical business area. In contrast to the past, today's healthcare companies understand this fact and decide to use the service of logistics providers. Together, we are able to increase the market penetration, service and profitability to our clients. Logistics providers can help to manage and streamline supply chain processes, capital and resources to lower the cost of doing business, decreasing our customer needs to put capital into developing their own supply chains operations.

**Puerto Rico has been facing many challenges as a reflection of the transport infrastructure gaps and its rugged geography. How do you ensure reliability and flexibility to your clients?**

Islandwide is a very proud company, known for its resilience, excellent risk management and business continuity plans. Particularly after Hurricane Maria, Islandwide has been a driver of the economy providing services to our clients. However, we are only as strong as our weakest link in the value chain. Therefore, we put a lot of emphasis on sharing our knowledge and educate our partners in the field of risk management and business continuity plans. Islandwide has a specific roadmap of how to mitigate risks and cope with emergency situations on the island, with specialized drivers and vehicles. We are also partnering with other logistics providers, which may not have the inland solutions we can provide, but in turn offer in- and outbound solutions. Collaborations in this area allow us to deal with the challenges we have here in Puerto Rico.

**Puerto Rico is undoubtedly a pharmaceutical manufacturing hub. Would you say it is also a logistics hub?**

Puerto Rico is a logistics hub for the region, as we have the expertise in supply chains and regulatory requirements, including global trade regulations. We have the opportunity to provide that expertise to other countries. With our pharmaceutical manufacturing footprint, we are supporting global business units from Puerto Rico, in a way that we are well aware of the characteristics and regulations of countries around the world that receive our products, business strategies around products sitting and markets needs. Our job is to let the global community know that we have this expertise, as today we are still primarily promoting Puerto Rico as a manufacturing hub rather than a logistics hub. We, the leaders in Puerto Rico, supply chain logistics and transportation have the unique opportunity enhance the end to end value chain and provide innovative ways to connect the plan, make, source and deliver phases of the products lifecycle.

**With many pharma and biotech companies, especially midcaps, are looking at Puerto Rico to invest as a potential hub for manufacturing, what would be your advice to them regarding the setup of logistics operations?**

I would highly recommend them to look for an expert in supply chains management rather than doing trial and error. Islandwide is able to provide a specific roadmap to increase efficiency. We have full portfolio solutions for new and growing companies that have decided to do business in Puerto Rico. Islandwide will be able to provide solutions in terms of permits, which has presented a big roadblock so far. The government is working hard to remove these obstacles and we are working closely with them to consult them in operationalizing their plan to improve the business environment in Puerto Rico. I have been very humbled to be selected as one of the members of this group, advising the governor and his chief innovation officer in topics related to business and process excellence.

**Where do you want to take Islandwide and what is your objective for the next five years?**

While the healthcare and manufacturing market is already quite mature on the island, I see a lot of growth potential for the logistics sector, particularly, business intelligence, electronic data and management system, eCommerce and customer relationship management.

In five years, Islandwide will be the logistics and transportation hub both in Puerto Rico and offshore, particularly for healthcare companies. We will be growing our business, helping companies to be more efficient across the globe. Our initiative is to first expand our services to Latin America, with the aspiration to go to the US mainland and other parts of the world after. We want to be recognized through differentiation not only in transportation but also in the areas of supply and demand planning and inventory management. We have the vision of being an integrated solutions provider.

**You are the first female president in the history of Islandwide. Do you have any message for future female executives?**

The most important thing is to keep your focus on your aspirations and not be afraid to express it clear and loud and make a plan to achieve them. Career development is our responsibility. Focus to excel at what you do, excellence is fundamental. Take time to keep developing your strengths and capabilities and go beyond your core responsibilities taking the golden opportunity to know the business in a more holistic way, even volunteering for key projects and special assignments out of your comfort zone. It is advising to select and mentor and a coach to help you navigate throughout your career development stages. Put a high value on business networking and team development strategies and priorities. On the personal side, there is a tendency for women feeling ashamed for choosing a business career impacting time at home with family. My experience working with many successful, strong women and mothers is, that they serve as a role model for their children and the entire family. Incorporate wellbeing and work-life integration practices and discipline as part of your agenda. My last advice is to take chances in your life and to not be afraid of the business world, which admittedly is male-dominated. However, it is a proven fact that companies with a higher share of women in top management positions have better financial results and business benefits. There is still a huge gap, but we are the owner of our career development – do not wait but be active and ready to enjoy your success.

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