Iris Vincent – President & Tom Vincent – Vice President, Prime Air Corp, Puerto Rico



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12.08.2019

Tags: Puerto Rico, Logistics, Prime Air Corp

Iris and Tom Vincent, president and vice president of Prime Air Corp, discuss how the pharma and medical devices logistics company is growing by more than 20 percent per year through a highly customer-centric offer, which has also improved the business continuity plans of its clients. Currently constructing the island's largest cold chain warehouse at San Juan airport, they also assess the potential of Puerto Rico becoming a global logistics hub.

You founded the company in 2001, and since then been constantly evolving and growing the business. Can you update our international readers about the recent developments since we have met you the last time in 2015?

Iris Vincent (IV): During the last five years we have been growing by around 20 percent per year, mainly due to our operations in the pharmaceutical, medical devices and manufacturing sector. We provide very flexible and tailor-made services, reaching from privately chartered planes to next day deliveries and regular air services. Additionally, our portfolio consists of worldwide air & ocean services, while we are also in the process of expanding our offer in the largest and most advanced cold chain storage area at the airport.

Tom Vincent (TV): The new cold chain warehouse we are currently constructing at San Juan airport is the largest in the airfreight logistics market in Puerto Rico, built to suit the specific needs of

pharmaceuticals and medical devices, using the same standards as the companies in the industry. Our customers have articulated the need for more cold chain warehouse space here at San Juan airport, but on top of that, past occurrences like Hurricane Maria showed us the urgency of having an additional facility that can handle medications and facilitate its distribution.

Shortly after Maria, the Centers for Disease Control and Prevention (CDC) was based here at our facilities for eight months, which helped us to better understand the definite need to have strategic capacities that help to securely store medication in cases of emergencies; as part of the country's business continuity plan in healthcare. Considering the importance of Puerto Rico for the global pharma supply chain, this new facility will also facilitate exports, as it is located right next to the runway.

Business continuity plans play a particularly important role for companies operating on the island. What progress has been achieved in collaborating with businesses and authorities to reach progress in this area since we have been here in 2015?

TV: All companies had a business continuity plan before Hurricane Maria, but curiously these were mostly designed around the confines of the fences of the plant, as nobody expected the rest of the infrastructure around to collapse. It has been a learning experience for the entire island and after Maria, business continuity plans have been reviewed and made more robust. Prime Air Corp has not been an exception to that, so while we have been up and running within only 48 hours as one of the first logistics companies on the island, we still looked for things to improve.

IV: The need for better holistic business continuity plans was visible directly after the storm, as there was no way of digital communicating, with cellphones and landlines being down. This meant that clients would show up on the doorstep of our warehouse, asking us for help to solve certain urgent logistics issues. Today, strengthening emergency and business continuity plans is taken a very serious by all our clients, and we are working with them, to reach out to their suppliers to ensure the plans cover their whole value and supply chains. For instance, Prime Air Corp and our main clients have been visiting smaller suppliers around the island to advise them on how to prepare for emergencies like Maria. You can have the best business continuity plan in the world, but if your suppliers are not aligned with it, the plan is worthless.

Prime Air Corp is a local company, competing with logistics giants like FedEx, UPS and DHL. In what way does your size give you an advantage of competing against these global players?

TV: We are a minority- and women-owned small business, part of the SBA 8A program, and our size gives us significant advantages in decision-making. The smaller the organization, the nimbler it is and the more ease of reaction it has. We do not have to approach any headquarter in the US mainland to explain what a client wants us to do, but the decision is taken right here at the office. This gives us a lot of flexibility, which is very attractive for many companies in the pharma and medical devises industry on the island, which do imports and exports, as adaptability is needed in this fast-changing environment.

IV: We also spend a lot of time and effort in training our team to have a strong customer-centric approach, as it is crucial to consider the needs and requirements of our clients. The healthcare industry is very regulated, so the companies we work with have high standards. Prime Air Corp is able to provide a high-quality service complying with all regulatory standards, while also giving the flexibility only a small business can. Each company has different needs, with different products and different destinations, so we prefer to provide a tailor-made solution to our clients to exactly meet their product and organizational requirements.

TV: We offer a 24/7 service, 365 days a year, without any cut-off times when it comes to delivery or pickup for our express services. We get calls throughout the weekend or holidays for enquiries from onboard courier services to chartering a Learjet to delivering specialized products, tendering to the critical emergencies and projects, that require a lot of out-of-the box thinking. We are non-asset based since we have long-standing relationships and networks with companies to have the resources necessary to provide our services.

How do you see the development of Puerto Rico as a logistics hub, considering its flight connections and its maritime transport network?

TV: We are very active in the initiative “Pharma Hub”, which is essentially a cargo transfer hub for air freight. Currently we aim to get this initiative approved by the US Department of Transportation, which will allow us to have cargo transfers done at the airports in Aguadilla and San Juan. This would create many new direct routes in and out of Puerto Rico, that will create spectacular logistics scenarios for manufacturers on the island. As an example, today there are flights from Portugal to Brazil, which have a lot more fuel for a non-stop flight, of course restricting the amount of cargo

they can carry. If the plane would stop in Puerto Rico, it would not have to carry as much fuel and could also drop off and pick up freight, which we could then ship to the US or the Caribbean. Additionally, South American jet fuel is not as clean as the jet fuel here in Puerto Rico, so by refilling here, it will work in favour of the airlines as it will lower their maintenance costs. More incentives, such as a free trade zone for fuel, which would further decrease the cost of fuel for the airlines, would help to create a huge air freight hub, impacting the island's economy as well. The industry is very involved in this initiative and both the Puerto Rico Manufacturers Association and the Pharmaceutical Industry Association have endorsed it, as everyone sees the benefit of it.

Recently, we have seen a new generation of pharma companies coming to Puerto Rico. What would be your recommendation to these new companies when choosing a logistics partner?

TV: The beauty of Puerto Rico is that there is a large array of logistics suppliers both for the local and global level that can satisfy the needs for imports and exports. I can say with a lot of pride, that the expertise we have in Puerto Rico in logistics and customs brokerage is very strong and can be compared to any other logistics hub in the world.

Where do you want to take Prime Air Corp and what is your objective for the next five years?

IV: We have the ambition to become the leader in the pharma transportation industry, with the goal to not only provide a good but an excellent service and experience to our customers. At the same time, we will contribute to all initiatives of the different associations we are engaged with, in order to grow the economy of Puerto Rico. We want to promote Puerto Rico and show that the island is ready for business.

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