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Face to Face With...

Kevin D. Brady, Owner and president, Satellite Logistics GroupHouston Business Journal - by [Christine Hall](#)[Print](#)[Email](#)[Reprints](#)[RSS Feeds](#)[Add to Del.icio.us](#)[Digg This](#)[Comments](#)

Kevin D. Brady, owner and president of Satellite Logistics Group, is responsible for moving a lot of America's favorite beverages around. A leading expert in the supply chain industry and a specialist in the beverage industry, he joined the company in 1991 and became its president in 1994. Brady was responsible for developing the Kegspediter System, a reverse logistics system tailored to kegs, which transformed the international beverage industry. He also led his team in the development of several technology applications that manage the entire process of transport logistics and supply chain management. Brady's accomplishments were recognized in 2004 when he was honored by Ernst & Young as Entrepreneur Of The Year in the Texas Gulf Coast Region. Microsoft also acknowledged and rewarded him as the only recipient of its Realizing Potential Award. Brady was interviewed by Christine Hall.



Q What competitive advantages does your company enjoy because your corporate headquarters are located in Houston?

A We operate nationally with a presence in most major U.S port cities. We were founded in Houston and I choose to maintain my corporate office here for several reasons. Houston offers a favorable business climate. The tax structure, qualified work force and cost of doing business are highly attractive compared to many major cities. We have been able to recruit and retain strong talent because of the value of real estate, low cost of living index and prominent academic resources. Houston provides progressive metropolitan amenities while preserving its Western charm and Southern hospitality. Its geographic location makes it an excellent location for one of our largest consolidation warehouses. We manage the international elements of our clients' supply chains so proximity to the Port of Houston is another advantage.

Q What challenges has your company faced operating from Houston and how have you addressed them?

A Our customers are national and international players in the beverage industry and most are located in the Northeast. Communication is very important to building and expanding our relationships with our clients. I believe we must have quality face time with them. If proximity to our customers was the only factor in deciding the location of our corporate office, we would likely be located in the Northeast. We have been able to bridge the geographic distance using advanced technology. Bush Intercontinental Airport allows us to reach our clients on either side of the Atlantic with little or no trouble. Obviously, another challenge that is top of mind is hurricanes. Although our business was not immune to business disruption (after Hurricane Ike), we were certainly more resistant. Fortunately, we did not lose any data or suffer from critical technology downtime. The

widespread damage and power outages did not affect our other locations because our off-site data center (located near Greenspoint) provided uninterrupted service with the use of backup generators.

Q What impact does your business have on Houston's economy?

A Beer is heavy. In 2007, we moved a little over 150,000 tons of product and reusable assets through the Port of Houston. The benefit of those loads goes beyond the Port and provides business opportunities to additional transportation and supply chain providers in this area. I employ about 100 people. Their contributions to our success have afforded them the opportunity to start families, buy homes and fuel commerce. Just as they make an impact on our success we, as a company, choose to make an impact on the community that has been so good to us. As a company, and from an employee base, we have a strong and proud history of giving back to the community. We target, but do not limit, our corporate giving and volunteerism to organizations that reach out to the social and scholastic needs of Houston youth, like the Houston Livestock Show and Rodeo and the Bay Area Turning Point. We have a community awareness program that reaches out to Houston children in need at the beginning of each school year and during the holiday season.

Q How do you think volatile oil prices and the current crisis in the financial markets might affect your industry?

A Oil prices have a tremendous impact on operating costs. Fuel is putting inflationary pressure on our beverage clients and the ultimate consumers they wish to reach. I believe that the combination of higher fuel prices and the weakened dollar will require many of our clients to consider new supply chain strategies including consideration of "near-sourcing" options that may move production activities closer to the consumer. This will challenge us to anticipate and adapt our supply chain services to satisfy our clients' needs in a rapidly changing environment. The crisis in the financial market is uncharted water. There is a lot of uncertainty right now and no historical playbook. We are fortunate that our business segment is more recession-resistant than most, but it is not recession-proof. We are very fortunate that SLG is not credit-dependent. Our biggest accounts have credit strength. Recession hurts, but when coupled with inflation, it really hurts. We are carefully monitoring our accounts receivable to ensure we do not slide into an informal lending position with any client that may have tight cash flow and credit issues.

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