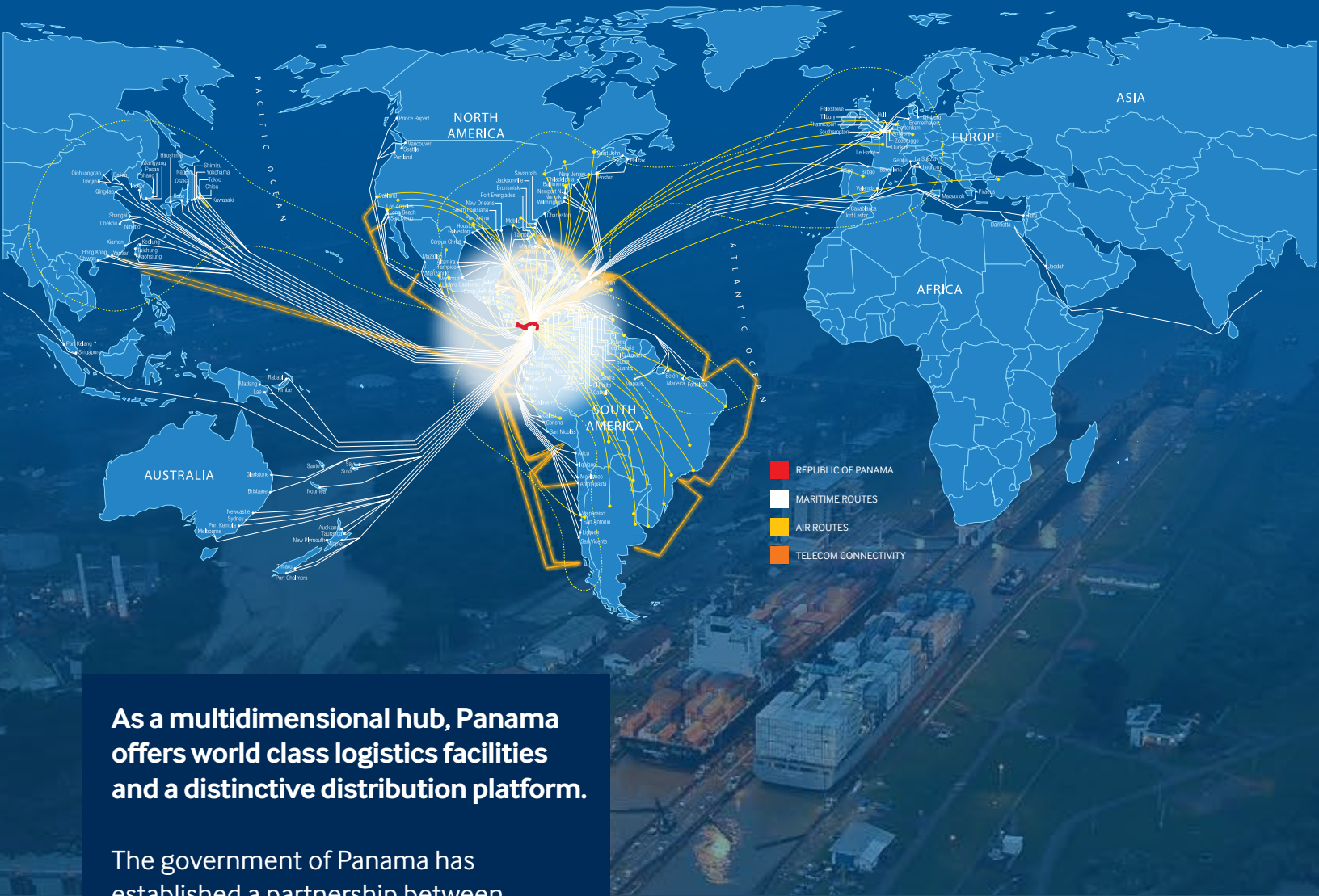


In partnership with



WHY PANAMA PROGRAM

Helping your company evaluate Panama as a Logistic Hub



As a multidimensional hub, Panama offers world class logistics facilities and a distinctive distribution platform.

The government of Panama has established a partnership between Proinvex Panama and Georgia Tech Panama called **“Why Panama”** to help companies determine whether to establish logistics hubs in Panama.

Based on quantitative data and analytics, **“Why Panama”** evaluates key variables to compare costs, investments and service advantages of location alternatives for international distribution operations.

Advantage of the “Why Panama Program”:

- Even though shipping directly requires less transportation and handling costs, a regional distribution center provides attractive trade-offs in terms of inventory investment and customer response times, which, in the case of Panama are magnified by its unique geographic advantage and connectivity.

Using a “hub” requires more transportation and handling costs than shipping directly to the company’s customers but the Trade-Off can be well worth it.

The “Why Panama” program has three phases of analysis where Proinvex, Georgia Tech and the company participate to evaluate the needs of the company and what Panama can offer:

Phase 1



Proinvex focuses on understanding the needs of the company, and connecting the company with the government and strategic partners of logistics services in Panama.



A Project team is created that includes a project lead from Proinvex, an analysis lead from Georgia Tech and a key contact of the Company.

Phase 2



Focuses on analytical models to narrow the list of potential hub locations.

A- GT Panama works with the Company to define the data requirements necessary and to transfer the data to the GT Panama Big Data Laboratory for analysis.

B- GT Panama uses its proprietary “Why Panama” to perform the analysis that examines **2 key criteria**:

- The required investment in in-transit inventory if the hub is established in Panama versus the investment if the hub is established at an alternative location.
- The container transit times to the Company’s customers from a hub in Panama versus the transit times from a hub at an alternative location.

C- If there are multiple potential sites after the analysis and Panama is one of them, then GT Panama works with the Company to define the requirements for making the final site selection.

- Selecting the optimum location from among this “short list” of candidate sites generally requires detailed transportation and warehousing costs.
- GT Panama and Proinvex work with the Company and the potential service providers to obtain and evaluate the Panama related costs.

GT Panama and the Company execute a NDA assuring that no information that the Company considers confidential will be shared with anyone, including Proinvex, outside of the GT Panama Logistics Center.

Phase 3



Focuses on an in-depth analysis of the value that a hub in Panama would provide to the Company:

- If Panama is selected by the Company as the best hub location, then GT Panama works with the Company to define the data and analysis necessary to build a detailed business case.

This requires analysis of the specific inventory and cost implications of utilizing a hub in Panama versus supplying the customers directly from product origins.

- Proinvex facilitates the collaboration of the Company with sources of data and analytical support.

• The tools and expertise in the GT Panama Center continue to be available to support the Company’s analysis. However, the role of GT Panama in this Phase is primarily advisory with the Company performing the analysis.

- If the Company decides to locate a logistics hub in Panama then Proinvex and GT Panama establish an ongoing relationship with the Company to help assure their success in Panama.

This phase requires significant analytical skill as well as detailed data regarding the Company’s inventory policies and shipping strategies.

