The Official Journal of The Logistics & Supply Chain Management Society

The Logistics & Supply Chain Management Society
The Regional Professional Body for Logistics Practitioners

OCTOBER 2018

LogiSYM

The Magazine for Supply Chain Executives

this issue

An Introduction to the Business Partnership Life Cycle Scorecard (BPLCS)

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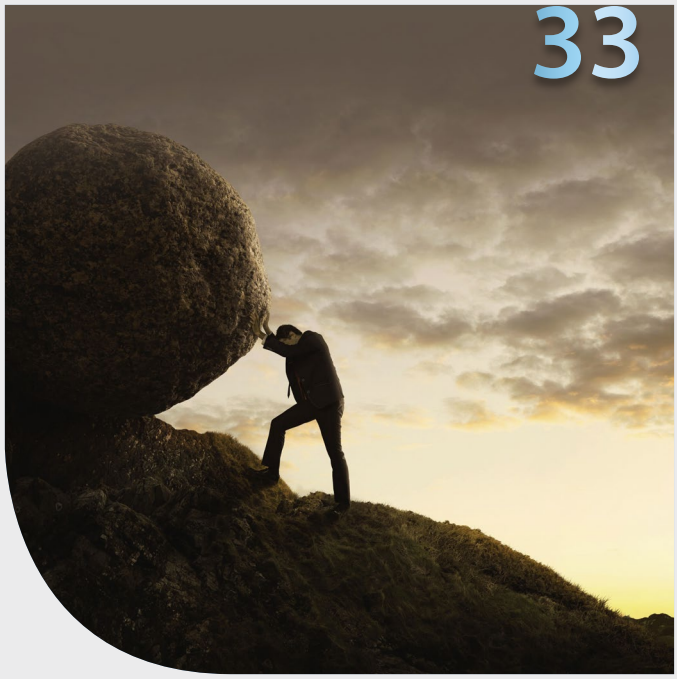

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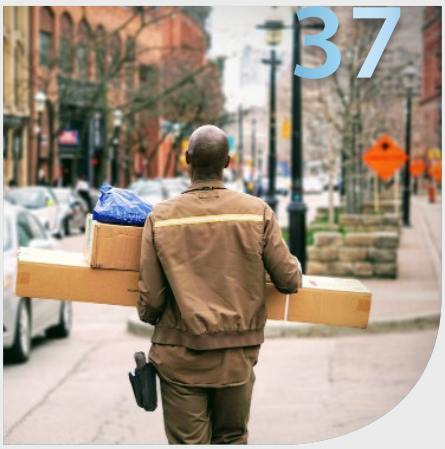


from the editor

…… how well are we prepared for the new age of tariffs, sanctions and more regulations?

Dear Readers,

Over the last few months we have had a heavy dosage of rhetoric on trade wars and blocking sanctions that are igniting a new wave of regulatory controls. This brings with it, more control activities, risks and an urgent need to re-adapt to the changes.

In the last edition we talked extensively on resilience and coping with disruptors and disruptions. There seem to be many tough challenges and deep considerations that will shape the near term activities. The rapid and extensive increase in tariffs between the US & China, has had a major impact on importers as well as exporters. Costs of adherence has not been a trivial matter. Least of all the hefty duty payments in the US.

The renewed sanctions list on Iran, steps up again the export compliance impacting many industries and countries. This is seen in particular in the oil & gas, hi-tech components and technology sectors. This undoubtedly is a reverse of the gradual easing of export compliance controls is respect to the last 5 years.

The long and short of the many pockets of actions, is a real wake call for supply chain strategies, operational costs but also the impact on business margins. This begs the question of how can we mitigate the global sanctions risk, risk of non export compliance and maintaining business integrity across the global trading lanes.

There is no easy answer nor magic solution. Immediate and unmitigated actions are necessary in the short term, no matter the cost. However, as soon as the dust has settled, a new reset will be necessary to rebalance and align the processes, strategies and compliance priorities.

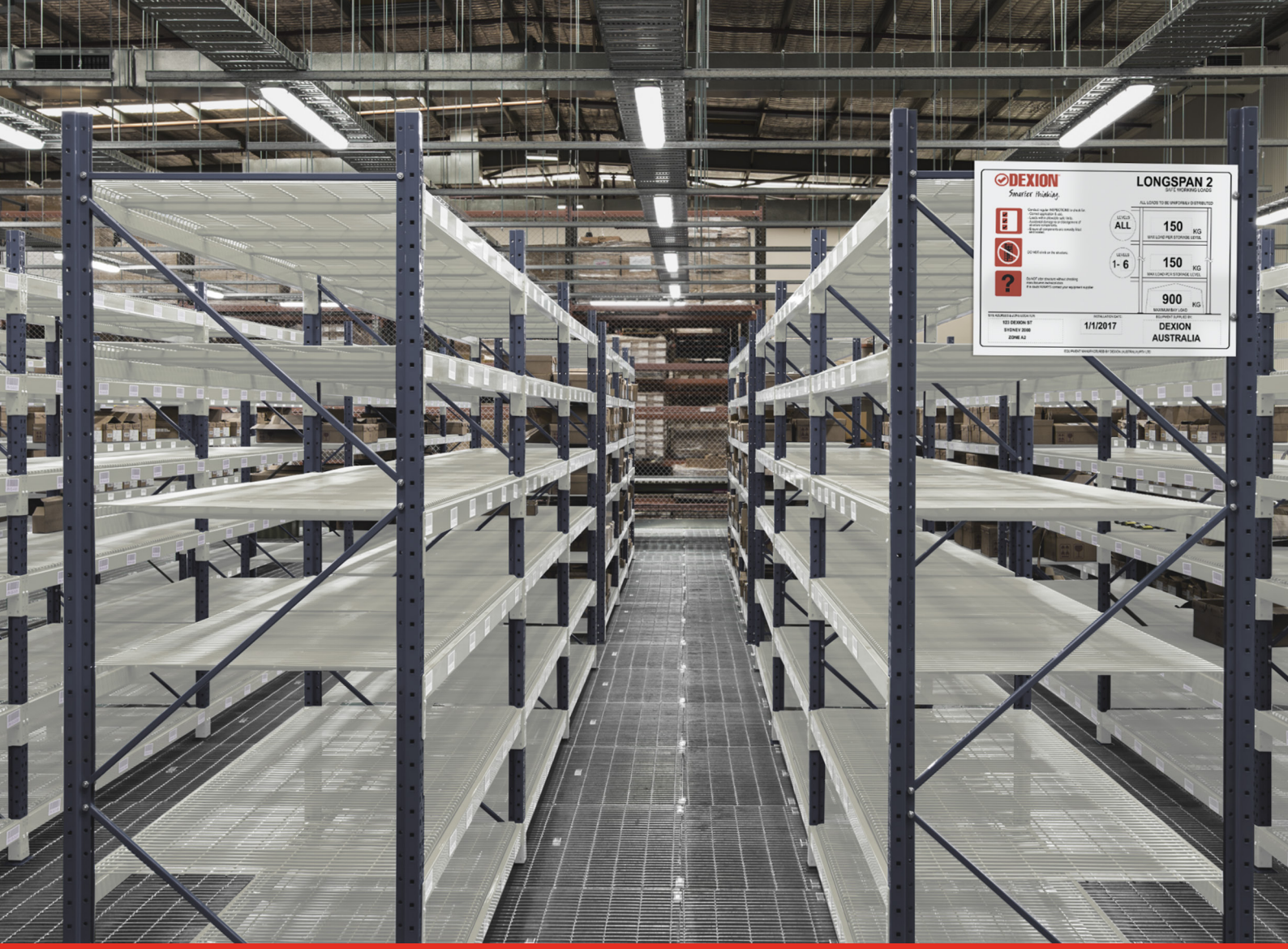
For some, such short, hard and high impact changes, will be a big issue. But for others it could be an opportunity to gain market share and even increase profitability. Those who are able to manage such transitional geo-political disruptions, will be those best prepared and agile enough to adapt more effectively with the least effort and cost.

Preparation and readiness is about resilience and agility in times of change, when least expected to hit the organisation. In this edition I hope you will appreciate Part 2 of the article on Resilience and assessing this important topic within your work sphere.

As we are seeing a new era of protectionism, sanctions and political blocking tactics, the risk and enforcement of trade controls, are only likely to increase. In the short and medium term the timing of actions to mitigate these changes are crucial. Being able to adapt key processes and tools, is urgent to avoid escalating costs and risks of non-compliance, but most all sustaining business continuity and profitability.

As usual I look forward to receiving your feedback at **info@lscms.org** and even publishing an article of yours.

Joe Lombardo
Editor in Chief



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a word from the president

Trade will find a way

Let me warn you in advance, my message this month is full of clichés.

DESPITE the gathering storm clouds of the US-China Trade war potentially escalating further, Brexit and other issues around trade, many Logisticians I speak to are quietly optimistic about how 2019 will look.

This could be foolish optimism on our parts but if I have learned anything in the past 30 years, it's that trade will find a way. Many of us will remember the time of "submarine" shipments into Indonesia where 20 foot containers of just about anything could be shipped from places like Singapore or Malaysia to Indonesia in record time and at a flat price - without having to pay any taxes or duties.

Today, about 500 trucks apparently cross the border between China and Vietnam on a daily basis and they follow the other 5,000 trucks that bring anything from fruits and vegetables to electronics across the border almost every day of the year, without the appropriate paperwork or licenses. There are numerous other examples of how commerce (trade) exists in many countries outside of regulatory control and so whilst all this nonsense is going on, and is cause for concern, the realist in me tends to agree with my colleagues. The more things change, the more they will remain the same.

If qualities like resilience and adaptability count for anything, Logisticians have them in spades. An escalating trade war could have significant impacts on some supply chains but when one door closes, another opens and if the interest to progress unilateral free trade agreements like the CPTPP and RCEP are anything to go by, many trading economies are willing to explore new routes and possibilities - without the US.

Japan and China, for example, are reporting closer trade ties just this very week and if RCEP does eventually get signed, it will be the first time two of the world's larger trading economies - India and China will have an FTA between each other.

When one door shuts another opens.

Another reason for this sanguine outlook is that many feel that common sense will prevail. Business has to be done, no matter what. Whilst tariffs, import duties and additional freight costs coupled with delays in delivery, extra paperwork and red tape are a concern, no problem is insurmountable and we will find a way for trade to continue - if not flourish.

Let's see what happens.

Switching gears, we have LogiSYM Digital taking place in a few weeks on 22nd November. It will be the world's first Supply Chain conference run in multiple capital cities globally at the same time. It will be a unique experience and a chance for you to be part of history in the making. Log onto our website at www.logisym.com to find out more and register.

Thank you for supporting LogiSYM and please keep your feedback and input coming.

Raymon Krishnan, FCILT, FALA
President
The Logistics & Supply Chain Management Society

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Murad is an innovative thinker and an astute practitioner of areas within and associated with the fields of Organizational Development, Talent Management & Business Transformation. He has worked in various geographical regions across the world. He has a rich history of delivering desired results for progressive organizations ranging from SMEs to Large Corporate Entities. His scholastic accomplishments have been affirmed by induction into Beta Gamma Sigma, an International Honor Society, as a Lifetime Member. He is also a globally published author and an active contributor to various professional forums.

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Boeing Forecasts Air Cargo Traffic Will Double in 20 Years

Boeing projects air cargo operators will need more than 2,600 freighters over the next two decades to keep up with increasing global freight traffic, which is expected to double with 4.2 percent growth annually.

The 980 new medium and large freighters and 1,670 converted freighters will go toward replacing older airplanes and growing the global fleet to meet demand, according to the new World Air Cargo Forecast, released by Boeing today at The International Air Cargo Association's Air Cargo Forum and Exhibition.

"The air cargo market continues to be a major element of commercial aviation's growth story," said Darren Hulst, managing director of Market Analysis & Sales Support at Boeing Commercial Airplanes. "Our new forecast indicates strong long-term air cargo trends, which coincide with the market recovery that we have seen over the last few years across Europe, North America, and Asia."

Some of the factors driving the growth in air cargo include a growing express market in China and the global rise of e-commerce, which is forecast to increase 20 percent annually to nearly $5 trillion in 2021 according to Boeing's analysis.

dnata Awarded GDP Certification For Pharmaceutical Cargo in Switzerland

dnata, one of the world's largest air services providers, has been awarded the Good Distribution Practice (GDP) certification for the pharmaceutical handling services at the company's state-of-the-art facility in Zürich.

GDP is a program focused on systems for warehouses and distribution centers that store and distribute products that are medicinal or carry active pharmaceutical ingredients. Setting stringent standards, the scheme ensures that consistent quality management systems are in place throughout the entire supply chain. In achieving the certification, dnata has proven its capability of handling pharmaceutical products safely and reliably. In order to meet the requirements, dnata has completely refurbished one of its warehouses at Zürich Airport and made significant enhancements to its quality systems, operations documentation and facilities management practices. dnata's customer-oriented staff have been also thoroughly trained on all processes and requirements at each level of the organization.

A global cargo services provider, dnata constantly invests into cutting-edge pharma handling technologies, which is underlined by the GDP certification of its Amsterdam, London, Manchester and Singapore, as well as the CEIV certification of its Amsterdam, Dubai and Singapore facilities.

Including two Swiss airports, Zürich and Geneva, dnata provides reliable and quality cargo handling services at 44 airports in 11 countries moving over 3 million tons of cargo a year.

Qatar Airways Cargo Introduces Transpacific Services

Qatar Airways Cargo, the second largest cargo carrier in the world, has commenced freighter services to Macau, the carrier's fourth freighter destination in Greater China. Alongside the launch of the new twice-weekly services to Macau, the carrier has also introduced transpacific freighter services, providing direct flights over the Pacific from Macau to North America, resulting in reduced flight times and faster services for customers.

China and the Americas are key markets for Qatar Airways Cargo, with many of the major industrial and manufacturing centres in the Guangdong province of China located on the West/Macau side of the Pearl River Delta. Electronics, garments and e-commerce goods are the major commodities exported out of Macau, while imports into Macau consists primarily of consumer goods. The transpacific flights also increase capacity to and from North America, further benefiting customers. Qatar Airways Chief Officer Cargo, Guillaume Halleux, said, "We have launched our newest freighter destination, Macau, just in time for the holiday season when air freight demand is high and the market is strong. The new services will connect manufacturing industries and exporters from the region to North America directly and quickly, without requiring a stopover at our hub in Doha. The launch of these services demonstrates our commitment to our customers in helping their businesses grow, while also enabling us to expand our presence in these key regions."

Macau becomes Qatar Airways Cargo's fourth freighter destination in greater China after Guangzhou, Hong Kong and Shanghai. The cargo carrier also transports belly-hold cargo on passenger flights to seven destinations in Greater China. In North America, the carrier has an extensive network of nine freighter destinations and 11 belly-hold cargo destinations.

Airfreight Capacity Exceeds Demand for Sixth Month: IATA

Latest figures by the International Air Transport Association (IATA) on second quarter financial data indicate that airline freight capacity continues to grow at a faster pace than demand. The report stated, "Available freight tonne kilometres (AFTKs) grew by 4.5% year-on-year in August, up from 3.9% in July and faster than the corresponding annual demand growth rate for the sixth month in a row."

The Airlines Financial Monitor highlight also notes that faster capacity growth compared to demand has seen the industry-wide load factor fall by 0.9 percentage points compared to August 2017. It adds that the silver lining for airlines is that "yields appear to be holding up".

In contrast, the industry-wide passenger load factor rose by 0.7 percentage points relative to August 2017, to an all-time (unadjusted) record high of 85.3%.

However, airline profitability overall has decreased compared to the same quarter last year. The report notes that oil prices have risen by around 40% over the past year and jet fuel prices averaged more than $90 per barrel in September.

Ethiopian introduces Oslo–Guangzhou Freighter Service and Expands Addis Ababa Frequency

Ethiopian Airlines is expanding its presence in Oslo, having launched a dedicated B777 freighter service to Guangzhou in China, and increasing its Boeing 787-8 Dreamliner frequency between Addis Ababa and the Norwegian capital to six times a week in December.

The twice-weekly freighter departure to Guangzhou was launched last week to facilitate the export of Norwegian seafood to the Asian market, said Ethiopian Airlines group chief executive, Tewolde GebreMariam.

Jasper Spruit, vice president traffic development at Avinor Oslo Airport, said: "We are very much looking forward to getting the new cargo route off the ground. It will make a major contribution to the export of fresh Norwegian seafood to the ever-growing Asian market. Our partnership with Ethiopian means a great deal for Norwegian value creation."

Ethiopian launched the Addis Ababa–Oslo service in March 2017 and GebreMariam is pleased with its growth. "The Oslo route has proven to be a success within just one year of its launch. It will soon become daily and we plan to add new services to Oslo from Asmara [the capital of Eritrea] in December 2018. Through these flights, we are serving the growing travel need between Africa and Northern Europe."

34 CEOs Commit to Decarbonisation Challenge

The Global Maritime Forum brought together a group of 34 CEOs and industry leaders from across the maritime value chain and from all around the world to sign a call for action and to lead the maritime industry in a transition towards a new decarbonized future. To achieve this, these leaders believe the maritime industry needs to accelerate both technological and business model innovation, further improve operational and technical energy efficiency, and transition to zero-carbon fuels and new propulsion systems.

These leaders support the scientific rationale for urgent action presented by the Intergovernmental Panel on Climate Change and the International Maritime Organization's greenhouse gas studies. Together, they emphasize the need to meet the temperature goals of the Paris Agreement and for the maritime industry to phase out greenhouse gas emissions as soon as possible.

> Today, we urge our peers from the entire maritime value chain to support decarbonization and work with us to deliver teh IMO's strategic goal of reducing GHG emissions
>
> **Paul Wogan**
> **CEO, GasLog Ltd.**

The signatory CEOs believe that a shift to a low-carbon economy by 2050 has the potential to create new opportunities for business through both technological and business model innovation. The shipping industry must rise to the biggest technology challenge in 100 years, and regulations should provide long-term certainty for financiers, builders, owners and charterers to make the required investments in low-carbon technologies.

"Today we urge our peers from the entire maritime value chain to support decarbonization and work with us to deliver the IMO's strategic goal of reducing GHG emissions. We encourage all of our customers and suppliers to demonstrate leadership through timely and appropriate action," says Paul Wogan, CEO of GasLog Ltd.

The call to action in support of decarbonization is already being followed up by concrete action. The Global Maritime Forum is working together with financial institutions, shipowners, Rocky Mountain Institute, and University College London, on a set of principles for the inclusion of climate alignment and climate risk considerations in lending decisions.

Hapag Lloyd Forms Feeder Cooperation Network with ONE

Hapag-Lloyd and Ocean Network Express (ONE) have concluded a Bilateral Strategic Feeder Network Cooperation Agreement, which has already started on the first trades.
The collaboration is leveraging the unique strengths and competitive advantages of both companies and aims to provide the market with a superior feeder network. Under this strategic cooperation, both companies will share space on their feeder services. Hapag-Lloyd and Ocean Network Express have also already ushered in a new Intra-Asia service, the Bohai Feeder (BHX) in August, and will further introduce a new Intra-Europe service, the North Sea Poland Express (NPX), in mid-October to further enhance its existing feeder network.

As the first step, the cooperation will cover specific Intra-Europe (BAX, NBS, NPX, REX, SDX, ADX, LEX) and Intra-Asia (BHX, HAS, PID) feeder trade lanes. The collaboration has already started in the Intra-Asia trade in August and will commence in the Intra-Europe trade in October. The collaboration will be further expanded into other key areas in due course.

Sustained Growth in Container Throughput Did Not Fully Offset Declining Throughput in Other Sectors

Total throughput in port of Rotterdam: 2.2% down on first half of 2017

- **Increase in container throughput continues (+5.9%)**
- **Clear fall in throughput of crude oil (-7.6%) and coal (-11.9%), partly as a result of the planned closure of coal-fired power plants**
- **Revenue and operating result of Port Authority stable, net result strongly influenced by one-off 'paper' benefit associated with accounting for the fiscal opening balance sheet**
- **Important steps made for the Energy Transition**

The port of Rotterdam achieved throughput of 232.8 million tonnes in the first six months of 2018. That is 2.2% less than in the first six months of 2017. Container throughput, one of the strategic priorities of the Port Authority, rose by 5.9% (in tonnes, 6.2% in TEU) by comparison with the first six months of 2017, including a new throughput record in May.

The market share of Rotterdam by comparison with the other ports in the Hamburg-Le Havre range increased from 30.9% (Q1 2017) to 31.2% (Q1 2018)[1]

However, the rise in container handling did not offset the fall in the throughput of wet and dry bulk. The decline in bulk goods was mainly seen in the throughput of coal, crude oil and mineral oil products such as fuel oil. Coal transshipment fell because of, among other things, the closure of coal-fired power plants, lower energy production by plants that were still in operation and a reduction in the flow of cokes for the steel industry.

Striking growth segments were LNG and biomass, which more than doubled by comparison with throughput volumes in the same period last year.

The financial position of the Port Authority was stable in the first half of 2018. Revenue from port dues fell off slightly but rental and leasehold income from issued land increased slightly. The result before taxation remained virtually unchanged at € 126.1 million.

Nevertheless, the net result was strongly influenced by a one-off gain as a result of the fiscal opening balance sheet, a consequence in turn of the Port Authority's tax liability. This one-off positive result is entirely an accounting phenomenon and it is a direct consequence of the application of legislation and regulations.

It does not provide the Port Authority with any additional cash or room for investment. On the contrary: the Port Authority did not have to pay corporation tax in the past but it is liable to pay corporation tax with retroactive effect from 2017 onwards.

The only significance of the one-off 'paper' profit is that, in the future, the Port Authority will be required to pay less tax for a limited period of time.

Energy Transition

Significant progress has been made in the past six months in the field of the Energy Transition. For example, a Climate Act was passed by the Lower House of the Dutch Parliament. In order to fulfil the ambitions set out in that Act, a large number of measures have been identified at the Rotterdam-Moerdijk Industrial Table that could result in a reduction of carbon emissions by 10 million tonnes.

The Port Authority does not work at the national level only in terms of assuming its responsibility to contribute to the energy transition that is needed.

Internationally also, the Port of Rotterdam Authority also seeks to collaborate with other ports that wish to lead the way in terms of sustainability and efficiency.

The authority is, for example, working with the recommendations in the Wuppertal 2 report and collaborating with leading ports in the world to develop a joint programme to improve efficiency and reduce carbon emissions, and also to promote the use of clean fuels and clean technologies in shipping.

Prospects

The global economy benefits from free trade and measures that promote free

trade. Import tariffs and trade quotas interfere with global trade and are therefore bad for the global economy. Relations between large trading blocks in the world are currently strained. In addition, it is uncertain whether negotiations between the European Union and the United Kingdom will lead to a new trade agreement after Brexit. Both developments are rendering the prospects for the further growth of world trade uncertain. The fluctuations in volume in the Port of Rotterdam would not, for the time being, seem to be caused by recent trade restrictions, the impact of which will be felt only after some time. The Port of Rotterdam Authority is continuing to monitor developments closely.

[1]At present, the transshipment figures for all ports are not yet available for the second quarter. It is therefore not possible to calculate market shares for the first half of 2018 at present.

Gulftainer Nabs 50-Year, $600 Million Deal to Expand US Port

Photo Source: http://www.gulftainer.com/press-release/gulftainer-signs-50-year-600-million-concession-to-operate-and-expand-port-of-wilmington-in-delaware-usa/

Gulftainer, the world's largest privately-owned independent port operator and logistics company based in the UAE, finalised a 50-year concession with the State of Delaware in the USA to operate and develop the Port of Wilmington, significantly expanding the company's global footprint and reach. The agreement, signed by Gulftainer's subsidiary GT USA, will see an expected investment of up to $600 million in the port to upgrade and expand the terminal and to turn it into one of the largest facilities of its kind on the Eastern Seaboard.

The port deal represents the largest operation ever run by a UAE company in the United States, as well as the largest investment ever by a private UAE company in the country.

The 50-year concession follows a year of negotiations and a thorough evaluation of Gulftainer's capabilities globally, including in the USA, where it currently operates the Canaveral Cargo Terminal in Port Canaveral, Florida and provides services to the U.S. Armed Forces as well as the US Space Industry. The Delaware concession agreement completes a preliminary agreement between Gulftainer and the State of Delaware, as well as the completion of a formal review by the Committee on Foreign Investment in the United States (CFIUS), granting Gulftainer exclusive rights to manage the Port.

Gov. John Carney, Governor of the State of Delaware,said, "This historic agreement will result in significant new investment in the Port of Wilmington, which has long been one of Delaware's most important industrial job centers. For decades, jobs at the Port have helped stabilize Delaware families and the communities where they live."

Gulftainer plans to invest up to US$600 million in the port, including $400 million on a new 1.2 million TEU (twenty-foot equivalent units) container facility at DuPont's former Edgemoor site, which was acquired by the Diamond State Port Corporation in 2016.

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GO Joins Singapore's NTP in Trade Digitalisation Efforts

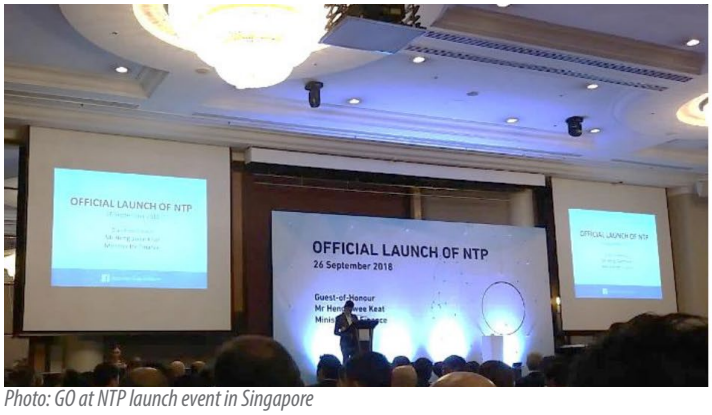

Photo: GO at NTP launch event in Singapore

GO to support the NTP's national effort by November 2018 through NTP-compatible digital trade documentation to speed up cross-border freight forwarding for Singaporean companies

Get GO Global (GO), a leading digital lead logistics provider in Asia, announced that GO is coming on board the Singapore NTP, the national trade information management platform, to offer its GO FREIGHT on-demand freight forwarding services to Singaporean companies engaged in the B2B import or export of goods.

"We are excited to join the NTP, which is a major national effort to increase digitalisation in trade conducted by Singapore-based companies. We have built our first platform, GO DC, into one of the largest warehouse listing sites in Asia. We are equally committed to make GO FREIGHT on the NTP accessible, relevant and cost-effective to as many companies as possible." said Mr. Au Kah Soon, CEO of GO.

The GO FREIGHT platform offers instant freight forwarding quotations, bookings, payments and tracking of B2B shipments. Available and accessible on any device, the GO FREIGHT platform cuts down historically slow and manual search, quote and booking processes that take days or weeks. GO FREIGHT will be available on GO's website and is expected to be also available on the NTP at or around November 2018.

Agility Wins US$142mn UPAC Contract

Kuehne + Nagel announced the acquisition of the logistics operations of Wira Logistics, a leading Indonesian logistics company. This strategic acquisition will strengthen Kuehne + Nagel's nationwide warehousing and distribution network in Indonesia.

Gianfranco Sgro, member of the Managing Board of Kuehne + Nagel International AG, responsible for contract logistics, says: "Indonesia is arguably the most important internet market in South East Asia in terms of its sheer size, emerging middle class and digitally savvy population. With this acquisition we can leverage our global eCommerce strategy. At the same time it allows us to strengthen our Contract Logistics footprint in Asia and our position as a leading logistics service provider. The tightened domestic network will further enhance our value proposition of providing fully integrated end-to-end logistics solutions to our customers across Indonesia."

The expansion of Kuehne + Nagel's warehousing and distribution capabilities in Indonesia where imports and exports account for close to US$ 300 billion annually has been a

strategic focus for the company. The country's burgeoning middle class is driving increased purchasing power making it an important consumer market for many companies.

"Kuehne + Nagel started operations in Indonesia in 1992. Over the years, we have become the logistics partner of choice for many blue chip multi-national corporations and local companies. These partnerships are a testament of our expertise and understanding of our customers' needs, regardless of the size of their company. We are very excited by this acquisition and the additional opportunities that it will create for our business," said Jens Drewes, President of Kuehne + Nagel South Asia Pacific.

"Wira is very proud to expand our fruitful relationship with Kuehne + Nagel. Our existing and future customers will stand to benefit from Kuehne + Nagel's market-leading position, capabilities and global expertise," said Ekahadi Djaja, President Commissioner, PT. Wira Logistics.

BYD Invests $5 Million In New US Warehouse

Battery and electric vehicle innovator BYD (Build Your Dreams) announced the completion of its latest U.S. investment, a new $5 million 100,000-square-foot warehouse for its Lancaster manufacturing plant. This is the firm's fourth expansion of its current manufacturing campus in Los Angeles County, bringing its total investment in Lancaster facilities to more than $53 million.

"BYD's latest investment to boost efficiency and production, in order to meet increasingly high demand for its vehicles, is just one example of what the company has done and continues to do for our local, regional and national economies," said City of Lancaster Mayor R. Rex Parris.

The new warehouse provides additional space and ability to further streamline the handling of materials and supplies. It also frees up space on BYD's adjacent massive 450,000-square-foot manufacturing plant floor, allowing for greater production and operational efficiencies.

> "We have the capacity to produce up to 1,500 battery-electric buses a year, which will go a long way toward creating a cleaner climate and a quieter, more efficient way to travel
>
> **Bobby Hill**
> **Vice President**
> **BYD North America, Coach and Bus**

"We have the capacity to produce up to 1,500 battery-electric buses a year, which will go a long way toward creating a cleaner climate and a quieter, more efficient way to travel," said Bobby Hill, Vice President of BYD North America, Coach and Bus.

BYD has delivered more than 270 buses in North America with an additional 80+ buses in current production, and 300 bus orders with options that could double that number.

Since it first opened in 2013, the Lancaster manufacturing plant has grown from 106,000-square-feet and a workforce of a few dozen to a facility that now covers more than a half million square feet and employs more than 820 workers.

The warehouse may be the latest expansion but BYD North America has much more in the works. The company has invested in the purchase of an additional 150 acres of land near its Lancaster manufacturing plant; and is planning service/maintenance centers across the U.S.

BYD has invested more than $250 million in the region to date, including some $53 million in the Lancaster facilities to date.

The firm's battery-electric, zero-emission buses not only meet but also exceed all current and future stated FTA "Buy America" requirements, incorporating 70%+ U.S. content. BYD is projected to spend over $50 million this year with U.S. vendors.

DPD Opens an All-Electric Parcel Depot in Central London

DPD has opened a 5,000 sq ft all-electric parcel depot in Westminster with the capacity to deliver 2,000 parcels a day. Investing over £500,000, the refurbished site includes an electric charging system to support its all-electric fleet. This is the first of a further seven sites which have been planned in London.

DPD is looking to save 45 tonnes of CO2 annually as it uses electric vehicles both for the inward delivery of parcels and the final delivery to customers. This is aligned with the objectives of Transport for London (TfL) who will be introducing an Ultra Low Emission Zone in central London from April 2019.

DPD expects to invest in the region of £3m on the DPD Westminster depot over the next 10 years, while the site for its second all-electric London depot in Shoreditch has already been secured.

Included in the site is the first DPD owned Pickup shop allowing consumers to collect parcels from the site. The new shop will add to DPD's network of 2,500 Pickup sites across the UK, operated in partnership with brands such as Sainsbury's, Matalan and Halfords.

Dwain McDonald, CEO of DPD UK, commented: "Reducing and neutralising our carbon footprint; providing smarter and more efficient urban delivery solutions and driving innovation are at the heart of DPD's DrivingChange programme. We want to be the leader in alternative fuel vehicles in the UK, with the ultimate aim being to move to a zero-emission fleet."

ASYAD, Al Raffd Fund Sign MOU

Photo Source: www.asyad.om

With an objective to help support the growth of Omani entrepreneurs in the logistics sector, Oman Global Logistics Group (ASYAD), the state-owned enterprise and the premier provider of integrated logistics services within the Sultanate of Oman, has signed a Memorandum of Understanding (MoU) with Al Raffd Fund, a government organisation which supports, encourages and promotes entrepreneurial growth and advancement of Omani entrepreneurs. The signing of the MoU marks a collaboration between the two organisations to support and help small and medium enterprises (SMEs) and aspiring entrepreneurs to develop their businesses in the logistics sector.

The MoU was signed by Abdulrahman bin Salim Al Hatmi, Chief Executive Officer, ASYAD and Tariq Al Farsi, Chief Executive Officer, Al Raffd Fund at the ASYAD headquarters.

Accentuating that the agreement will boost cooperation between the two sides, Abdulrahman bin Salim Al Hatmi, CEO of ASYAD, stated, "Small and medium enterprises play a significant role in the national economy. Their competitiveness and quality of their outputs impact the economic diversification in the Sultanate. "Through the Sultanate of Oman Logistic Strategy, we are looking forward to generating 300,000 job opportunities in the logistics sector by 2040." He added.

ASYAD is mandated to implement Sultanate of Oman Logistics Strategy 2040.

US Exits UN Postal Scheme

The US will begin withdrawing from a United Nations treaty that offered low rates for foreign postal deliveries of small packages in the US, the latest move by the Trump-led US administration that seeks to challenge practices that it sees as unfairly advantageous to China.

According to the White House, the UPU enabled foreign postal services to take advantage of cheap shipments to the US, creating an unfair cost advantage over US companies that shipped goods, and hurting the US Postal Service.
Shares of internet-based mailing and shipping provider Stamps.com fell nearly 9% after the announcement. Online shoppers in the US have often benefited from the arrangement, gaining access to foreign goods at little cost.

Donald Trump is distancing the US from international multilateral organisations and accompanying policies that he says hurt US interests. The White House will seek to renegotiate the terms of the UPU rules during the year-long withdrawal process, officials said.

"If negotiations are successful, the administration is prepared to rescind the notice of withdrawal and remain in the UPU," White House spokeswoman Sarah Sanders said in a statement.

SEKO Logistics Partners with Feelunique in China

Feelunique has announced that it will open a distribution hub in Hong Kong in partnership with SEKO Logistics to serve its rapidly growing customer base in mainland China.

The three years since Feelunique launched its dedicated Chinese website, sales to the region have grown considerably. China accounts for 20% of Feelunique's annual sales, with orders being shipped from the UK. The opening of a distribution hub is expected to deliver enhanced customer convenience, access to a wider choice of products, and lower shipping thresholds that will open Feelunique to a wider consumer population in China.

The location of the distribution hub allows Feelunique proximity to the rapidly growing beauty market of Hong Kong whilst also retaining the benefits of cross-border retailing into China.

Joel Palix, Chief Executive Officer of Feelunique, said: "The rise of China's middle class and its appetite for luxury and niche beauty brands is setting China on a course to become the biggest beauty market in the world. Feelunique is already enjoying rapid growth in this market by fulfilling orders from the UK. With a distribution hub in Hong Kong we will be able to dramatically enhance our offering in terms of choice, brands and customer experience. By localising distribution, we will be able to lower shipping costs and compete on a different scale in this market by making Feelunique accessible to a much larger potential customer base in China."

SirajPower Adds Apparel Group to Growing Portfolio of Solar Plans

SirajPower, the Dubai-based joint venture devoted to net metering and providing comprehensive turnkey solutions around solar rooftops in the United Arab Emirates, continues its growth in Dubai with the signature of a new leasing agreement for a solar system with Apparel Group, a global fashion and lifestyle retail conglomerate known for operating major brands from around the world such as Tim Hortons, Cold Stone, Aldo, Tommy Hilfiger, Sketcher, Aeropostale, Nautica to name a few.

SirajPower has signed a 15-year leasing scheme under which it will install, finance and operate a 1.8 MWp PV system on two of Apparel's warehouses in Jebel Ali Free Zone (JAFZA). The solar plant is expected to cover more than 50% of the company's electricity consumptions, saving 1,750 tons of CO2 during the first year of operation.SirajPower currently has 16 plants in Dubai that are either in operation or under construction, comprising a total capacity of around 30 MWp.

The company has already inked three agreements in 2018 including Al Abbar Aluminium, Landmark Group, Apparel Group and is expected to bring on-board other prominent UAE business soon.

R3D Global Partners with Horeca Marketplace To Promote Australian Products in Asia

R3D Global Limited (ASX: R3D) a regional investor relations and public relations firm, has formed a strategic alliance with Horeca Marketplace, providing a one-stop solution to promote, showcase and distribute Australasian products to Asia.

Under the agreement, R3D will provide market advisory, media distribution, marketing and PR services to brands who are seeking to expand outside of Australia.

R3D will also be conducting digital marketing and social media campaigns to promote food-tasting and sampling sessions to engage consumers and businesses for an immersive experience. Horeca Marketplace will offer an omni-channel solution that covers freight forwarding, warehousing, inventory management, e-commerce management, logistics fulfillment, as well as an online marketplace "Buy Direct Australia" for all Australian food products.

Apart from these services, Australian products that are on board will also be showcased in a wholesale centre in Singapore that acts as a permanent product display for international F&B products.

"Companies in Australia looking to expand their business into Asia can now leverage a one-stop solution that helps them to expand and grow their business in the most cost-effective and efficient way. We are glad to partner with Horeca Marketplace to effectively assist companies to spread their wings to Asia with R3D's experience, market knowledge and media networks," said Florence Fang, CEO of R3D Global.

Eddie Siow, CEO of IM Holdings said, "IM Holdings is very excited to work together with R3D Global. This partnership will complete our ecosystem and will play a crucial role to raise the brand awareness of the brands that are on board. With our wealth of knowledge, we are confident would create substantial value for stakeholders over the long run period as well as help Australian companies to leverage their business into Asia."

Ryder Expands Last-Mile Delivery Network in 11 North American Markets

Ryder System has announced the expansion of Ryder Last Mile, a home delivery solution, in 11 North American markets. The expansion allows Ryder to bolster its e-commerce operations, improve delivery time frames and expand to new geographic markets.

"By expanding our existing locations and adding new facilities, we continue to position our customers to meet – and even exceed – the ever-growing demands of e-fulfilment and the increasing expectations of their customers," said Patrick Coughlin, Vice President and General Manager of Ryder Last Mile.

Ryder is planning to enlarge its last-mile fulfilment facilities located in Toronto, Atlanta, Georgia and Lathrop, California. Moreover, the expansion will bring on board further partnerships in eight strategically located U.S. cities. The Ryder e-fulfilment network now includes 136 facilities covering 95% of the U.S. and Canada within a two-day time frame. The project is also aimed to strengthen Ryder's position in the North American road freight market. In order to improve the customer experience, Ryder keeps investing in technology that enables greater visibility. RyderView allows customers to schedule and track orders with photo-capture digital proof-of-delivery, to facilitate a productive claims management program. Also, the new feature signals defects and exceptions, allowing Ryder to give preventive warnings to clients.

Warburg Pincus Closes $2 Billion China Fund

Warburg Pincus, a leading global private equity firm focused on growth investing, today announced it has successfully closed Warburg Pincus China, L.P. Warburg Pincus China will be a $2 billion companion fund to Warburg Pincus Private Equity XII, L.P., a $13.4 billion global private equity fund that closed in late 2015.

Warburg Pincus China received third-party commitments in excess of its $2 billion hard cap after six months in the market. Warburg Pincus China's Limited Partners are comprised of existing investors in Warburg Pincus' funds and new investors to the firm, including leading public and private pension funds, sovereign wealth funds, insurance companies, endowments, foundations and high-net-worth individuals.

This fund will continue Warburg Pincus' thesis-driven, sector-focused approach to investing in China, partnering with entrepreneurs and management teams to build companies of sustainable value. Warburg Pincus China will focus on investing across sectors including Consumer, Healthcare, Real Estate, Energy and Industrials, Financial Services, and Technology, Media and Telecommunications (TMT).

"We are pleased to announce the close of our China fund," said Charles R. Kaye and Joseph P. Landy, Co-Chief Executive Officers of Warburg Pincus. "Since our first investment in China in 1994, Warburg Pincus has been a consistent presence in the region. We have now invested over $7 billion in 90 companies, generating strong returns for our investors. The response to Warburg Pincus China reflects our established track record, our very talented team, and the significant opportunities we see for growth investing in the country."

Warburg Pincus' select current investments in China include Amcare, ANE Logistics, China Huarong Asset Management, China Kidswant, D&J China, ESR Group, Evercare, Hygeia, Liepin, Mofang Apartment, UCAR Inc., Uxin Ltd. and ZTO Express, among others. Notable recent partial and full exits include CAR Inc., China's largest car rental company; 58.com, China's leading lifestyle services platform; and China Biologic Products, a plasma-based biopharmaceutical company.

RoboSense Receives China's Largest Funding for a LiDAR Company

RoboSense, the world's leading autonomous driving LiDAR perception solution provider, today announced the completion of China's largest-ever single round of financing for a LiDAR company – a combined investment of over US$45 million (RMB 300 million).

The strategic funding is provided by technology and industry leaders, including Cainiao Smart Logistics Network Ltd. ("Cainiao"), the logistics arm of the Alibaba Group; SAIC Motor Group (Shanghai Automotive Industry Corporation), the largest publicly-traded auto manufacturer in China's A-Share; and BAIC Group (Beijing Automotive Industry Holding Co.) electric vehicle company.

With an over 50% market share of all LiDAR sold in Asia, RoboSense is the market leader in the region. From previous financing rounds, RoboSense already has secured backing from auto manufacturing, financial brokerage, and artificial intelligence (AI) companies, including Haitong Securities, Fosun Group, Oriental Fortune Capital, Kinzon Capital, and Guangdong Investment Pte Ltd.

The funding will be used to increase RoboSense's market share and the R&D of autonomous vehicle technologies, including its solid-state LiDAR, AI sensing algorithms, and other advanced technologies, as well as accelerating product development, long-term manufacturing and market penetration.

IHS Markit predicts that by 2035, global sales of self-driving cars will reach 21 million vehicles, up from nearly 600,000 vehicles in 2025. IHS believes that by 2035, nearly 76 million vehicles with some level of autonomy will be sold globally.

Autonomous logistics vehicles will be one of the first markets for autonomous vehicle technology. Based on data from Deloitte's China Smart Logistics Development Report, the intelligent logistics market will reach $145 billion (RMB 1 trillion) by 2025.

Cainiao and the world's leading automotive OEMs, SAIC and BAIC, will jointly promote the rapid development of autonomous vehicles with RoboSense. The strategic partners will not only financially invest in RoboSense, but will also collaborate to lead the autonomous driving industry into production and commercialization.

Logistics Startup Expedito Wins Seedstars Jakarta

A new price comparison website and online booking service for international shipping, Expedito, was selected out of nine finalists to take part in the week-long Seedstars Summit in Switzerland in April 2019. The startup will have an opportunity to meet more than 65 winners from other Seedstars competitions, as well as investors and mentors from around the world. At the final day of the summit, the startups will pitch for an opportunity to win up to US$1 million in equity investment and other prizes. In addition to Expedito, sharia-based P2P lending platform Ammana has been named as second prize winner while equity crowdfunding platform Bizshare has been named as third prize winner.

The finalists are include retail solutions provider Do-Cart, recruitment startup for blue collar jobs Pakaruto, GPS-tracking solutions provider Lacak, agritech startup Aglonera, queueing app Qiwii, and healthtech platform for patients of varicose vein disease Varises Indonesia.

7-Eleven to Boost Last Mile for Lazada and Ninja Van

A deal between the convenience store chain, Alibaba-owned ecommerce site Lazada, and last-mile logistics provider Ninja Van will allow Singporean shoppers to pick up their online purchases from their local 7-eleven.

Customers will be able to collect items bought from the Lazada marketplace from any of 350 7-Eleven outlets across the city-state. Shoppers can select which store they wish to collect from when checking out on Lazada's site, and Ninja Van will drop off purchases at the relevant collection point. The feature will be available at 159 7-Eleven stores from 6 p.m. today, with more collection points being rolled out over the coming weeks.

Lazada users can pay a delivery fee of up to S$2.99 (US$2.17) to have regular-sized packages sent to their homes. But those that opt for in-store collection at 7-Eleven won't have to pay any delivery costs.

Explaining the decision to team up with Lazada and Ninja Van, Crispian Leong, head of marketing at 7-Eleven Singapore, said, "Over 35 percent of Singaporean households have two or fewer residents, with close to 25,000 new dual or single-person households forming just between 2016 and 2017. Most are working during the day, and many may not find it convenient to receive parcels at their office." The option for customers to claim parcels from drop-off points at their own convenience will also help alleviate problems associated with failed deliveries, said Ray Chou, Ninja Van's country head for Singapore.

The collaboration between the three companies is the latest of several ecommerce collection-point initiatives to launch in Singapore. Ninja Van operates its own Ninja Collect service, which leaves parcels in specialized lockers or with partner merchants. The country's postal service operator, Singapore Post, also provides digital lockers called PopStations for ecommerce and mail collection in about 140 locations.

Fewer Obstacles for Autonomous Ships Than Cars: Survey

A survey by the International Underwriting Association (IUA) has found that the majority of underwriting professionals find that autonomous ships and aviation drones are confronted with fewer challenges and may be easier to implement than self-driving cards. "Respondents expressed concern about the lack of associated infrastructures for autonomous modes of transport, as well as cost, technological capability, public perception and regulation," the survey stated, according to World Maritime News.

However, all three types of vehicles are expected to be in widespread use within 10 years by more than 80% of practitioners, respondents opined. The online poll of IUA members included questions focusing on three key technologies: unmanned aerial vehicles or drones, autonomous vehicles and autonomous vessels. The survey sought to assess market expectations and concerns surrounding future coverage for each transportation method.

"Insurance companies are embracing new technologies and developing broad, wide-reaching cover for a range of different risks. The expansion of such products generally mirrors the rate of development for the technologies themselves," Daniel Fletcher, Chairman of the Developing Technology Monitoring Group (DTMG), said.

"Unmanned aerial vehicles are currently the most widely used and this is reflected in the number of IUA members who stated in our survey that they are offering products in this area and, indeed, the geographical spread of cover. Autonomous vessels, however, could represent a significant potential growth area for the London Market with a quarter of the companies responding to our poll stating that they are considering launching a product in this field."

MARKET MOVES

Global Mergers and Acquisitions News

In conjunction with Logistics Executive Group Corporate Advisory | www.LogisticsExecutive.com

2018 has been an especially unpredictable year for the global economy, and the supply chain and logistics industry in particular. From political deadlocks to economic pressures, a lot of factors have kept market players on their toes and in an earnest bid to move from a reactive stance to a more proactive position.

The consequences of the US-China trade skirmish are finally beginning to rear their head. Imports of several products in the US have been affected and agricultural exports have also suffered. Meanwhile, with little signs of relief from the tariffs, global companies have begun to seriously deliberate moving supply chains out of China. Therefore, as of now, a clear winner is yet to be determined.

However, recent M&A activity has hinted that while the 'warring economies' may be affected, their neighbours could seek to benefit. Several global logistics players, such as Keuhne + Nagel, are actively growing their footprint across Asia, while several technology giants, including Japanese motor supplier Nidec, Panasonic and even their Chinese counterparts, have announced plans to move parts of their supply chain to Southeast Asia and Mexico.

Meanwhile, several regional players have also been growing their footprint in North America, particularly in the transportation arena, as domestic players aim to take advantage of the declining appeal of Chinese imports.

As global supply chains enter a state of flux, many concerns still hang in the balance. Can the 'Made-in-China' model be successfully relegated to the past? What will this mean for the global value chain, and will consumers buy into it? Clearly, much still remains to be seen. But in the meantime, watch this space.

K+N strengthens Indonesia footprint

Kuehne + Nagel has announced the acquisition of the logistics operations of Wira Logistics, a leading Indonesian logistics company. This strategic acquisition will strengthen Kuehne + Nagel's nationwide warehousing and distribution network in Indonesia,

which is one of the global player's key development markets in Asia. The expansion of Kuehne + Nagel's warehousing and distribution capabilities in Indonesia is of strategic importance to the global logistics player, where it is the logistics partner of choice for many blue chip multi-national corporations and local companies.

Mapletree acquires logistics portofolio for $1.1bn

Mapletree Investments has announced the acquisition of a 16.5m sq ft logistics portfolio for $1.1bn from Prologis, Inc. Located in established distribution centres within major logistics markets such as Chicago, Dallas and Seattle in the US, as well as France, Germany and Poland, these properties enjoy access to key transportation nodes including major highways, ports and airports. The distribution network is strategically placed to serve growing demand for modern logistics facilities and the thriving e-commerce sector globally.

Transplace Acquires Yusen Logistics' Intermodal & Freight Brokerage Group

Transplace, a leading provider of transportation management services and logistics technology, has acquired Yusen Logistics (Americas) Inc.'s intermodal marketing company/over-the-road freight brokerage group. This acquisition expands Transplace's North American intermodal capabilities and further supports the company's commitment to strategic growth in order to meet the supply chain needs of its growing customer base. Terms of the transaction were not disclosed.

AIT Worldwide Logistics Acquires WorldFresh Express

Global supply chain solutions leader AIT Worldwide Logistics has acquired WorldFresh Express, a Los Angeles-based freight forwarder specializing in perishable food products.

The acquisition of WorldFresh expands AIT's robust cold chain capabilities by adding specialized operational knowledge as well as a world-class 13,800 square foot temperature-controlled facility on the west coast of the United States with distinct zones to hold frozen, refrigerated and fresh foods.

Universal Logistics Holdings Adds Specialized Rail Service to Portfolio

Universal Logistics Holdings, Inc. has acquired Specialized Rail Service, Inc. (SRS). SRS offers local and regional intermodal drayage services, as well as transloading, cross-docking, warehousing and distribution, and intermodal facility management. SRS' fleet has over 140 tractors and provides capacity to much of the western United States. The purchase price was $12.3m. Following the acquisition, SRS will operate as part of Universal Intermodal, Inc.

CMA CGM increases stake in Ceva Logistics

Following Ceva's rejection of a takeover bid by DSV this month, CMA CGM has increased its holding in the UK-based global logistics services provider to 33%.

DSV's unsolicited bid of $2.5bn last week – $1.5bn in shares and assumption of debt of around $1bn – was deemed to "significantly undervalue" Ceva's prospects as a standalone company, according to a statement from its board.

Ceva has relieved its shipping line of a standstill agreement that limited its maximum holding in the 3PL to 24.99%, and meant it could take it up to 33.3.%.

E2open to Acquire INTTRA to Integrate Global Supply Chain

E2open, the largest cloud-based provider of networked supply chain solutions, has announced plans to acquire INTTRA, the leading ocean shipping network, software and information provider.

The combination of INTTRA's ocean carrier and shipper network with E2open's industry leading business network will create a unified global logistics and supply chain network. E2open and INTTRA will join efforts to strengthen the connections and streamline the information flow between manufacturers, suppliers, shipping service providers, ocean carriers and all the participants in global trade.

NCR buys payment processing firm JetPay

NCR Corporation, a leader in banking and commerce solutions is acquiring US-based JetPay, a provider of end-to-end payment processing and Human Capital Management solutions.

The purchase price is approximately $184 million and will be financed with a combination of cash on hand and existing capacity under NCR's revolving credit facility. The offer has been approved by each company's board of directors.

This acquisition will enable NCR to integrate a cloud-based payments platform into its enterprise point-of-sale (POS) solutions for retail and hospitality industries. It also accelerates NCR's strategy of increasing recurring revenue growth and expanding margins by enhancing its mix of software and services.

M&A INSIDER
Merger & Acquisition Deals & Transactions

BUSINESS FOR SALE

Logistics Joint Venture Opportunity
One of Oman's leading and largest local conglomerate; Seeking expertise partners
As one of Oman's largest local conglomerates, this group offers the financial and business horsepower required to capitalise on Oman's focus on developing the international and domestic logistics sectors. With an intention to invest in and create a world class 3PL Logistics Warehousing and Transportation business, our client is seeking expression of interests from leading global and regional 3PL's who would be interested in a joint venture relationship bringing experience, know-how and technology as part of the relationship. The Group is well funded, has the capital resources and internal / external relationships to drive supply chain and existing logistics activity to the new business.

Australian based Logistics Supply Chain Company
State of the art warehouse; Asset Light Model
Circa USD$3,800,000
Strong prospects for growth with long term signed customer contracts. This well established and highly regarded 'local hero' has an excellent reputation, staff group to manage the business and brings excellent systems technology. Present owner is seeking to retire.

UAE contract transport company with locked in customer contracts
Transportation / Trucking
United Arab Emirates | POA
Regional transportation business with more than 30 years' profitable track record in the UAE. Excellent growth prospects with new customer contracts locked in and implementation for 2018-2019. Large company owned fleet including of an excellent age and strong reputation for services, compliance and safety management.

Highly profitable and well established services firm in the UAE
United Arab Emirates | POA
10+ year old International Project Management firm specialising in the full spectrum of construction and project management services. Strong forward customer contracts (guaranteed backlog of projects for 2019-2020) and stable staff of 60+ employees across the GCC region. Revenues more than USD$8.0m+ and cash-flow of USD$2.5m+. Profit margin 38%+. Financial Audit Reports from one of the big four international auditors are available.

Globally recognised player in the eCommerce technology and cross border space
Revenue: USD$20m+
Headquartered in Australia maintaining an impressive list of clientele, many of whom have worked closely with this organisation since inception and leverage both their cross border operation as well as their white labelled technology solution. This profitable, USD$20m+ business is made up of two distinct divisions – one being the supply chain operations on a global level with origin hubs in most of the major eCommerce export gateways, and the other being their technology stack that has enjoyed significant investment over the last few years. Both divisions are profitable (or have enormous future white labelling opportunities under discussion) and combine seamlessly to offer the clients a world class eCommerce customer experience.

SEEKING TO BUY

Sales Leaseback Interest Sought in the GCC

Opportunity to capitalize on the market value of real estate assets while maintaining occupancy and control

- ***Do you need cash to grow your core business or for any other purpose?***
- ***Are you seeking a creative off-balance sheet, long term-financing solution?***

Logistics assets (warehouses, logistics facilities, open yards) sought by long term investors for development. We are presently engaged and working with several institutional and high-net-worth real estate investors with a mandate to acquire logistics, warehousing, and manufacturing real estate assets, and entering into long-term lease back arrangements with the current owners/operators.

Large to Medium size freight forwarding business in the UAE

Freight Forwarding or like

Target Geography: United Arab Emirates

Our client is an expanding regional logistics firm with strong capital backing. The seeking to accelerate their GCC growth in Forwarding and Logistics through acquisition. Deal size would be the region of companies with a turnover of AED50m – AED250m and who have well established operations of 5 years plus.

Currently under MOU

Capital Raising - European / UAE Manufacturing

Capital Sought: USD$16,500,000

Manufacturing: Sustainable Materials

Germany / UAE

Seeking a strategic partners and investors to establish a company in the GCC to manufacture and sell premium, high demand products using sustainability waste to meet the growing needs of the construction and auto manufacturing industries. With patentable technology, this major environmental waste management business has strong government interest, has already received major innovation awards and has MOU's in place with major European Distributors underwriting 100% of the factory output (guaranteed sales). The project is highly economically feasible and generates attractive returns

Small to Medium size freight forwarding and warehouse business in East Africa

Logistics / Freight Forwarding

Target Geography: East Africa (Kenya / Rwanda / Tanzania)

Seeking small to medium size forwarding business or businesses complete with business licences to be part of a new market entry for a Regional Logistics Services provider. Could be a small regional operator with multiple offices or a single business.

3PL Logistics Warehousing Business

Logistics / Freight Forwarding

Target Geography: United Arab Emirates

Prominent UAE organisation seeking to expand its logistics operation through strategic acquisitions in areas of 3PL warehousing, transportation (trucking) and cold chain. Strong investor in growth.

*** In addition to those listed, Logistics Executive Group has mandates for similar businesses from trade buyers and investors. Please contact us for more information.*

An Introduction to the Business Partnership Life Cycle Scorecard (BPLCS)

Business partnerships have become an essential element of the strategic initiatives undertaken by progressive organizations for ensuring their competitiveness and relevance in a world that does not pay heed to tradition, shuns conventional thinking, seeks seamless gratification, pledges loyalty to technological innovation and punishes complacency with extinction. However, the success of such endeavors is largely dependent upon the congruity of goals and objectives and the effective implementation of carefully mapped phases to ensure that each partner is able to gain the maximum benefit from such an investment.

Business Partnership Life Cycle Scorecard (BPLCS) is an invaluable tool for assisting in the timely and effective oversight of the health of such partnerships. It is essentially a proactive measure for buffering against and, if needed, overcoming any potential/actual challenges that might derail key objectives and core expectations of all the parties concerned. It is an exercise in calculated risk management that rewards the foresight of organizations with the humility and astuteness to learn well from their missteps to maximize their probability of success. It is designed in a user-friendly manner and requires minimal effort in being able to apply it proficiently by a senior executive/designated representative.

Let's take a closer look at the key stages within the Business Partnership Life Cycle Scorecard (BPLCS), as follows:

PARTNERSHIP FORMATION

This refers to all the due diligence activities that are necessary for initiating and safeguarding a partnership from a legal and corporate perspective. It is defined by the 'Commencement' phase that harbors questions on the strengths of the foundations, upon which; the business partnership is being built and balanced. Any problematic areas at this stage should be effectively dealt on priority basis since complacency at this level can have unpleasant and debilitating consequences while the partnership is in motion at the next stage.

PARTNERSHIP IN MOTION

This refers to the elements that are critical for the successful running of the business partnership. It is defined by the following six phases:

- Communication
- Commitment
- Commercial
- Coordination
- Cooperation
- Competition

Assessment at this stage is a periodic process that is carried out at defined intervals and a cumulative grade subsequently used as a guide to determine the:

- Robust corrective/preventive actions needed to sustain the Partnership
- Feasibility and effectiveness of Partnership continuance according to the defined agreement
- Strategy for countering/ neutralizing the current/potential competitors
- Natural dissolution of Partnership according to the defined agreement
- Pre-mature termination of Partnership according to the defined agreement
- Legal measures needed to safeguard the business interests of each party according to the defined agreement
- Prospects for Partnership in future

PARTNERSHIP DISSOLUTION

This refers to all the due diligence activities that are necessary for ensuring that the business partnership can be concluded in an effective manner. It is defined by the 'Culmination' phase that is designed to harness the 'lessons learnt' aspect of the business partnership as a helpful guide for an overall review and in the formulation of future initiatives within the respective context. It is flexible enough to accommodate the 'amicable' approach to winding down the business partnership in the 'normal' course of 'planned' events, as well as, catering for the 'crisis/ unforeseen' aspect of moving away from an undesirable situation as a way of 'damage control' and/or to preserve the professional reputation of the organization.

GRADING THE BPLCS

Assessment of the business partnership through the BPLCS is done in relation to an insightful question with a Yes/No response which is further reinforced by indicating the strength of the Yes/No response on a scale of 1-5 to reflect the confidence level of the professional carrying out the respective assessment. An overall grade reflects the performance at a particular stage by considering all the constituent elements. The whole exercise is not only for monitoring and review purposes, but also, serves as an invaluable guide for future business partnership endeavors. The results of the whole exercise can be reflected as below (see image):

ARE YOU EFFECTIVELY GAUGING & OPTIMIZING BUSINESS PARTERSHIPS?

STAGE NO.	STAGE NAME	ASSESSED AREA	GRADE				
			A	B	C	D	F
1	Partnership Formation	Commencement					
2	Partnership in Motion	Communication					
		Commitment					
		Commercial					
		Coordination					
		Cooperation					
		Competition					
3	Partnership Dissolution	Culmination					

BPLCS UTILIZATION (AN EXAMPLE)

Suppose a prominent manufacturing concern wants to expand its supply chain capabilities without a physical presence in a big market of another country and is interested in partnering with a company, specializing in a seamless distribution network (e.g. specialty warehouses, suitable transportation fleet, real-time tracking software, provision of skilled shipping agents, on-ground customer support, strong local contacts, etc.) in that country to facilitate its commercial customers who are catering to consumers of the manufacturing concern's products.

CEO of the manufacturing concern wants to ensure that such a profound step is taken after careful consideration and there is an effective mechanism for consistent monitoring and periodic review of such a venture that can avoid its derailment through appropriate and timely corrective/preventive actions, while, also serving as a guide for future initiatives. He/She asks the Head of Business Development/ Strategic Initiatives/Business Partnering/Assigned Representative to conduct appropriate due-diligence in the respective context and devise an ongoing mechanism that ensures that he/she gets timely updates on the 'health' of the respective partnership in case it proceeds forward after completion of all the necessary formalities. Consequently, the Head of Business Development/Strategic Initiatives/Business Partnering/ Assigned Representative proceeds to engage in the appropriate due-diligence by exploring the following questions:

1. Who is the Senior/top Management of the prospective partner and what is their professional background?
2. What do their key customers say about the quality/reliability/ good points/bad points of their services?
3. What is the breakeven time frame for such a partnership and the projected ROI?
4. Who are the bankers/creditors of the prospective partner and have they had any problems with them?
5. Who are the major competitors of the prospective partner and how do their services rank against them?
6. How often do they have to upgrade/maintain their equipment/machines/fleet?
7. Can their equipment/machines be hacked? How are they protecting against hackers?
8. Are they significantly susceptible to obsolescence by technology that uses Artificial Intelligence (AI)?
9. What is their vision/mission/ strategic objectives/expansion plans for the future and the projected/expected growth rate?
10. Do they have any market surveys available to see how effective/ user-friendly/delightful are their services?
11. Can their equipment/machines still function without online connectivity? If not, what safeguards/redundancies have they undertaken to ensure uninterrupted availability of services?
12. Is the investment in such a venture comprehensively protected from any lawsuits that a client and/ or a consumer may instigate in case of any service failures by the prospective partner?
13. Is there a Board structure in the organization of the prospective partner? If so, what influence does the board have on the executive functions of prospective partner?
14. Has the prospective partner shared financial statements/ records? What is the major drain on their resources? What are the key boosters? How good is their health as a 'going concern'?
15. What kind of freedoms/legal remedies are available to withdraw from the venture if things don't go well according to expectations?
16. Do they hold patents for their technology/services? If so, how much time is left on their patents before others can use the same technology and/or replicate their services?
17. Have there been any HR/labor issues in their organization? If so, what kind and how effectively have they been handled?
18. How good is their relationship with their suppliers/subcontractors? Have there been any issues? Are they overly dependent on any one/key supplier/subcontractor?
19. Are they in total compliance with relevant regulatory guidelines/ rules? Is there a monitoring frequency, e.g., monthly/ quarterly/yearly visit from the relevant agency/agencies? What are the penalties for noncompliance?
20. Do they have any partnership agreements with any other organizations, e.g., with respect to technology. hardware, systems support, research, etc.? If so, what are the key aspects of those agreements?
21. Has due-diligence been done on them, e.g., by an independent audit firm? If so, what were their latest findings?

Upon completion of the due-diligence, the Head of Business Development/ Strategic Initiatives/Business Partnering/Assigned Representative presents a report of the findings to

Business partnerships are a 'delicate dance' between competing interests and it is becoming exceedingly rare to see remarkable success of such initiatives as organizations try to maintain a steady foothold within a progressively dynamic global market that is increasingly susceptible to disruption from innovative competitors.

the CEO and other relevant members of the senior management. If the decision is taken to proceed with the partnership then the Head of Business Development/Strategic Initiatives/ Business Partnering/Assigned Representative activates the first stage, i.e., Partnership Formation, of the BPLCS.

Subsequently, the second stage is initiated at a suitable periodic interval, e.g., quarterly, by the Head of Business Development/Strategic Initiatives/ Business Partnering/Assigned Representative, i.e., Partnership in Motion, as the relationship engages all the necessary/agreed elements of the respective partnership. A cumulative grade is assigned during this stage as multiple quarters of the partnership are assessed. The respective information is also provided to the CEO and other relevant members of the senior management for review and authorization of appropriate corrective/preventive actions. The effectiveness of such corrective/ preventive actions is gauged in subsequent reviews and/or as directed by the CEO.

When the partnership is deemed to be no longer viable by the CEO and other relevant members of the senior management, e.g., in view of the availability of better options, rampant violations of agreed partnership parameters, and/or change in the strategic direction of the manufacturing concern, the third stage is initiated by the Head of Business Development/Strategic Initiatives/Business Partnering/ Assigned Representative on the direction of the CEO and a report on the life cycle of the respective partnership is prepared that includes the 'lessons learnt' with BPLCS serving as an insightful attachment to facilitate astute decisions on how to increase effectiveness for future partnerships. Subsequently, the respective report with the attached BPLCS becomes part of the 'knowledge bank' within the manufacturing concern.

FOOD FOR THOUGHT

Business partnerships are a 'delicate dance' between competing interests and it is becoming exceedingly rare to see remarkable success of such initiatives as organizations try to maintain a steady foothold within a progressively dynamic global market that is increasingly susceptible to disruption from innovative competitors. Business Partnership Life Cycle Scorecard (BPLCS) serves as a timely 'wake-up call' for enterprising organizations to avoid becoming victims of their own complacency on account of an assuring sense of past accomplishments. Raising a glass to your success!

Murad Mirza
Organizational Development & Talent Management Expert

Murad is an innovative thinker and an astute practitioner of areas within and associated with the fields of Organizational Development, Talent Management & Business Transformation. He has worked in various geographical regions across the world. He has a rich history of delivering desired results for progressive organizations ranging from SMEs to Large Corporate Entities. His scholastic accomplishments have been affirmed by induction into Beta Gamma Sigma, an International Honor Society, as a Lifetime Member. He is also a globally published author and an active contributor to various professional forums.

How Resilient is Your Organisation To Disruptions & Distraction in the New World Order?

Part 2 - Deploying a Program to Achieve a Resilient Culture

Synopsis from Part 1 – {published in August/September 2018 issue} in part 1 of this article we explored what is Enterprise Resiliency and how critical it is to identify and assess the vulnerabilities in our organisations. When such an assessment is completed, we need to follow-up to render the core systems, processes and people structures robust in their normal operation mode. An organisation that is considered Robust is able to defend itself against disruptions and minimise the impact of distractions. The time an organisation takes to re-organise itself and sustain the necessary business continuity after an abnormal incident, is known as Enterprise Resiliency. Enterprises Resiliency, "is only as strong as its weakest link".

The more we learn of how an Enterprise can from embracing a resilient culture can deliver, the more we should be determined to deploy such a culture in our own environment. Understanding the fundamental concepts and having the awareness of the consequences of not being resilient, is the easier part of the puzzle. The hard work is in the planning, development and deployment of a program necessary to achieve Enterprise Resiliency.

As we have discussed, a Resilient Culture is the encapsulation of several elements. To achieve this state of Resiliency requires many singular actions. The collective formation of these action creates the capabilities which render an organisation resilient. There is no a single nor magical program that will deliver such result.

Simulating Assumptions to understanding Resilience

To start this journey of realisation, we need to build a simulation model. Such a model will help the principal players to understand what are the key elements of risk. It will also help identify where the risks come from and what are the potential consequences. The model will however require the players to establish some important assumptions.

The realistic and qualitative assumptions used for a simulation model, will also determine how closely an organisation can emulate the disruptive and distractive factors it could possibly face. This emulation will be a valuable contributor in the review and preparatory process. However, one should not over exaggerate situations or assumptions. Over complexified conditions can be good to stretch the scenarios for simulation, training and preparedness. But if the simulation is too complex it will become very difficult to develop, sustain, test and actually activate when the plan needs to be invoked.

Building Enterprise resiliency within an organisation whether large or small will require a combination of many ingredients. Strategy, Policy, Processes, Systems & People working in a synchronised & structured manner is fundamental.

All important and well known business elements will form the backbone of such a process essential to making the model realistic. But it is Process Discipline that will be most crucial to developing a culture of resilience. This element has to be enabled by People. This is key to Developing & Sustaining an Enterprise Resiliency Culture which can also serve as a strong defensive tool within the business.

Fundamentals to a Resiliency Culture are Capabilities and Process Discipline

There are two pillars that are fundamental to building a resiliency culture. They are Process Control Discipline and People Adaptive Capabilities. These can only be initiated and developed with enlightened and focussed leadership. It is only through a coherent driven culture that an enterprise could successfully fend off disruptors and distractors that are likely to be detrimental to it's business continuity capabilities.

There are 2 distinct cluster groups that can summarise the key characteristics and the principal criteria to develop a resilience driven culture. *(See Table 1 below)*

The process disciplines provide the backbone for structure and method. This approach enables the development of a robust framework that is measureable and adjustable.
The behavioural aspect of the culture, is derived from the capabilities that people in the organisation can contribute to the overall resiliency of the Enterprise.

There is no prescribed combination of which elements in the respective clusters will be more effective than others. But what is important is the

Table 1

Process Control Disciplines	People Adaptive Culture
Fact Based Data Focus	Leadership & Ownerships
Diagnostic Orientations	Anticipating & Simulating Deep Dive
Operating Methodologies	Investigative & Challenging
Monitoring & Alert Systems	Competencies & Knowledge
Deployment Capabilities & Resources	Agile in Mindset & Engagement
Cross-Functional Process structure	Continuous Improvement
Measure, Analyse & Improve	Readiness for Deployment
Review & Refresh Contingency Plans	Pro-Active Culture

combination that is right for the Enterprise that is developing their own model of resiliency culture which is suited to each environment.

How do you achieve Enterprise Resiliency?

Having understood what it takes to create a resiliency culture, developing the competencies and building an agile organisation is the starting point. Such an all encompassing approach should energise the organisation and excite people to embrace the this important initiative.

Looking ahead, the challenge will be sustaining the freshness and regenerating the momentum of the initiative. Maintaining the competencies and sustaining the agility in a positive environment, is a fundamental consideration of such a program. People can be easily excited but also easily distracted away from the program, especially when things get tough.

This is where leadership for such a type of program is fundamental. Whilst the ownership for enterprise resilience belongs to every single person in an organisation, it requires focused and visionary leadership to carry the program through.

Leadership is a critical ingredient to drive such a key program. To update the business scenarios, engage the organisation coherently, innovate the capabilities and sustain the culture across the whole organisational perimeter are essential elements for success.

Resilience is not something that can be turned on and off when required. It is like a virtual capability that an organisation creates. It is embedded in the way people think, communicate and interact with others to carry out their responsibilities but working in a coherent structure.

This virtual culture is a very a powerful asset to have. It will implant that resiliency mind-set in the organisation and will prove invaluable when faced with crisis that come from disruptions. However this asset needs to be nurtured and continuously developed to remain relevant to the Enterprise, as well as t the changes in landscape around the Enterprise.

How does agility and resiliency interplay in this aspect?

We talk a lot about agility, yet few really understand how to manage this across a muti-function, multi-location and multi-national organisation. The best description of Organisational Agility is,

"The capability of a Company to rapidly change or adapt in response to changes in the market. A high degree of Organisational Agility can help a Company to react successfully to the emergence of new competitors, the development of new industry-changing technologies, disruptions and distractions, or the sudden shifts in overall market conditions".

The characteristics of an Agile Organsiation are clearly a desirable enabler to achieve Enterprise Resiliency. However the next questions is, how do we achieve this agility?

Agility in an organisation is manifested in the behavioural traits. We could explain this by comparing the behaviour of a Reactive Approach versus a Pro-Active Approach.

Resilience is not something that can be turned on and off when required. It is like a virtual capability that an organisation creates. It is embedded in the way people think, communicate and interact with others to carry out their responsibilities but working in a coherent structure.

Table 2

..... a REACTIVE behaviour	..... a Pro-Active behaviour
Followers – wait to be told	Leaders - take own initiatives
Passive – accepts status quo	Active- innovative & improvements
Risk – low or no appetite	Risk – Calculated Trial & Error
Energy – does minimum	Energy – high, goes extra mile
Performance – Mediocre	Performance – High + Accolades
Response - Only when things go wrong	Response – Continuous improvements
Works in some isolation	Engages & Collaborates with Others
Poor in sharing & communicating	Shares Success & Invests in Others
Inward Looking – satisfied	External Looking - Benchmarking
Do not Disturb the Current	Stretches the Bar!

I have summarised the typical behaviours we see in the reactive and pro-active scenarios. *(See Table 2)*

Concluding comments

Building an Enterprise Resilient Culture that is able to respond, defend and apply corrective actions in the organisation, is a key to survival in today's business environment. The elements required to develop and sustain such an important asset are many and complex.

The summarised overview in this paper is merely an appreciation of a new dimension in the challenges of leadership. The pro-active behaviours and virtual capabilities that are required to be embedded in an organisation to be successful, are evident. But these charaterictics and capabilities also play very critically roles in the other factors in business management.

This article, I hope will provoke leaders to ask key questions of "Who do I need on my team versus "who would I like to have on my team ?" and " Who do I need to drive and sustain such important asset?" versus "Who shall give this task to?"

To Develop and sustain an Agile and Resilient Culture is not a one-man show. It requires a lot more. It requires an investment in people, investment in good leadership and sustaining of good business governance.

"The fact is that from time to time we are going to fail: it's an inevitable part of living that we make mistakes and occasionally fall flat on our faces. The only way to avoid this is to live a shuttered and meager existence, never trying anything new or taking a risk. Few of us want a life like that!"

Joe Lombardo
Founder
ESP Consult

Joe Lombardo is the founder of a specialist consultancy whose mission is pivotal on delivering a core vision of enabling sustainable performance. ESP Consult an independent Business Consultancy (since 2014), offering consulting & advisory services in Business Performance Management, supporting programs for Transformational Business Management, improvements in the Supply Chain Logistics Management and Trade & Customs Compliance programs. ESP Consult brings the technical understanding and practical knowledge to develop Performance Execution Programs to deliver Company Business Strategies.

For more information about the about the article and publications to improve your supply chain refer to
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Another One-Sided Move?

When I first started shopping on line, I used to wonder how something from China could be shipped to my home in Sydney, much cheaper than something from Melbourne. After some digging, I came across the Universal Postal Union (UPU) one of the world's oldest international organisations.

This somewhat obscure, Swiss-based organisation coordinates rates and standards between 192 national postal systems in the world. From mailing a letter to receiving an online shopping parcel, the postal rates paid are determined every four years by the UPU for its membership.

The UPU system divides countries into categories, based on their level of development, which determines the rates or terminal dues paid to each other.

The US is classified as a "target" country and China as a "transitional" country. Since China is still considered a "transitional" country by the UPU, this means it enjoys a lower rate for sending mail to a developed nation like Australia or the US. As a result, mail services from China to countries like Australia and the US costs less than what their postal services charge for a comparable domestic delivery.

The UPU's system of determining terminal dues is at the core of Trump's latest move to target China whom he says has benefited from this arrangement - as developing countries pay lower rates than wealthier countries.

All postal operators pay terminal dues to compensate foreign postal services for delivering their overseas mail. When a letter or parcel is mailed overseas, the postal service of the sender's country, which has received payment for postage, usually in the form of a stamp, pays terminal dues to the destination's postal service for its share of the delivery process.

Trump claims that China is paying discounted rates for international delivery under the system and that this hurts the US Postal Service. This is the latest of Trump's latest protectionist measures which he claims is aimed at revoking China's competitive edge over the US.

Trump's administration has said the UPU system hurts US businesses because American customers can purchase knock-off products at a lower price, even when the cost of shipping from China is factored in. The US Postal Service said it lost more than US$135 million handling imports from across the world in 2016.

China's developing-country status has also become a central component in US-lodged complaints with the World Trade Organisation, with the US joining with Japan and the EU to initiate changes to the trading body's rule book, aimed at forcing China to alter its trading practices.

The US campaign for WTO changes, has simmered in the background while the Trump administration continues to target Chinese imports with tariffs, which has seen Beijing retaliating with tariffs of their own. Although trade pundits have many views and perspectives about what the end result will be, what will eventuate is anyone's guess.

Trump has displayed a particular disregard for anything that implies international co-operation. By going head to head with China, the WTO or when negotiating trade agreements like NAFTA, CPTPP or KORUS - or with anyone else whom he feels is acting against what he considers to be acting against the interests of the US, Trump continues to challenge the status quo.

This is not always a bad thing as many of these institutions are mired in bureaucracy and an inability to act. The WTO for example has for example only concluded one negotiation since its formation in 1995

Who are the losers in this latest move?

In this age of e-commerce and globalisation this move to pull out of the UPU could directly impact the daily lives of consumers. The Trump administration has said it intends to withdraw and set its own rates but what's to stop other countries, including China, from trying to do the same - and is a petulant, tit-for-tat approach the way trade negotiations are to be conducted moving forward?

The Trump approach with dealing does with these complex issues, is to cede it's leadership and influence to Beijing on the world stage. China now gets to be seen as the good global actor, stepping in as the US retreats from the international order. One in which it was instrumental in creating.

Expanding Chinese e-commerce platforms like Alibaba or JD.Com that ship overseas, could risk losing trade if postage rates are increased. However, the real losers would be consumers who are likely to see higher prices reflecting the new shipping rates.

In July, Australia removed the de minimis threshold. This has resulted in stopping the shipments of Amazon purchases from outside the country. At the extreme end of this scenario, online marketplaces could simply stop shipping to the US. This reality could be realised, especially if more tariffs are imposed.

But realistically the US, is too large of a consumer market to be ignored. What will really happen is that firstly, consumers will end up paying more for a similar product and online marketplaces will start to do what most others are doing, look at markets aside from the US, to grow the business.

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Dr Raymon Krishnan is the foremost thought leader on Supply Chain Management in the region and currently works as Director of Corporate Advisory at the Asian Trade Centre where he works with clients on supply chain diagnosis, supply chain and business strategy and network design. Raymon currently also serves as President of the Logistics & Supply Chain Management Society and Secretary-General of the Asia Business Trade Association.

EVENTS

October

SUPPLY CHAIN & LOGISTIC ARABIA
October 23rd - 24th 2018
The Address Dubai Marina, UAE
www.sclarabia.com/index.aspx

2ND ANNUAL MODERN WAREHOUSING
October 24th - 25th 2018
Pullman Bangkok Grande
Sukhumvit, Thailand

PROCUREMENT 4.0
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4TH ANNUAL FLEET MANAGEMENT
October 24th - 25th 2018
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November

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November 22nd 2018
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www.LogiSYM.org/digital2018

IRU WORLD CONGRESS
November 6th - 8th 2018
Oman Convention & Exhibition Centre
www.iruworldcongress.com

SUPPLY CHAIN LOGISTICS DIGITAL TRANSFORMATION AND DISRUPTIVE INNOVATION FORUM
November 28th - 29th 2018
Shangri-La Hotel Singapore
www.claridenglobal.com/conference/supplychain-sg-2018/

December

PROCUREMENT WEEK 2018
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