

LogiSYM

The Magazine for Supply Chain Executives

FEBRUARY 2019

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from the editor

.....is it the calm before the storm or a new surprise that we don't expect?

Dear Readers,

We are now more than half way into Q1 2019 and all seems as business as usual! Yet only a few weeks ago, we were bracing ourselves for disruptions and distractions with several unknown volatilities in our supply chain.

But as we enter into the last part of Q1, there seems to be some calm in our daily routines –challenged as ever but manageable. The great US trade war with China seems to be less of a threat than at first expected. Whilst no one has been immune from the fall-out and impact of duties and added complexities, we have managed this well.

The other big game changer is the delayed saga on Brexit. On this front the uncertainty has been very frustrating for many. And like the US-China trade war the impact and repercussions will be felt across the globe.

So is this the calm before the storm or has common sense prevailed? The avoidance of major disruptions can be attributed to an industry maturity in readiness for disruptions. This is also a clear illustration that the industry and the players driving the strategies have developed and adopted a solid resiliency culture.

Whilst we achieved a continuity and robustness in our supply chains, we cannot underestimate the risks and exposures that could be lurking in the background.

Defense strategies are ever more crucial in our supply chains. Keeping Stability, security and business continuity is our primary goal. Even more crucial in such situational uncertainties, is to strengthen our supply chain alliances.

This is not a trivial task. Building such alliances with our supply chain partners is not only about transactional costs negotiations. It is more than that – it is an engagement to share risks but also share the benefits of business continuity.

Often the cost disruptions and failure in a supply chain has major unknown costs. It is only when you have to dig yourself out of the mess that a full realisation of cost is real.

Business continuity plans consider preventive actions vs corrective actions. We all know that corrective actions are costly. In a supply chain of flows, transactions and time sensitive KPIs, preventive actions are about robust relationships as well as processes.

Building solid and robust relationships in your supply chain is a key priority of a successful and sustainable strategy. This cannot be measured in cost alone, but in opportunities gained by the relationships. Such an approach is a challenge one for many, but is a critical element in managing risk & resiliency in the supply chain.

Our featured articles cover several interesting topics. People are regular feature in our editions – without those critical people competencies, our job in managing supply chains would be an even greater challenge!

Adapting to the new trading conditions will still be an ongoing challenge for many. Anticipating changes and preparing for the impact is a very crucial state of readiness.

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

Full Steam Ahead!

Busy, busy, busy! That's the order of the day with all the exciting things we have happening at LogiSYM and in our work outside the Society. Trade Wars, Brexit, IMO2020 and low sulphur, moves within the industry and M&A's and of course all the noise from the actors in our industry just creating a lot of noise on social media to draw attention to themselves and increase their ratings - without saying anything of note. It's hard to separate the wheat from the chaff and focus on the necessary and needed and these individuals do not make it any easier as they plague social media with populist comments or provide 'clever' quips that are not really that clever just to stimulate views and likes. Kudos however to some of my connections on LinkedIn who have started to call these people out. Well done!

LogiSYM Singapore is starting to shape up to be a great event and we still need more sponsors, speakers and ideas on how to

make this year's event even better than the previous one, so if you have any suggestions or are able to help contribute or sponsor the event, please let me know.

We should also have a couple of exciting announcements to make in the next few weeks so watch this space.

This has been a fairly short message this month but with all the uncertainty and opportunity in supply chains and business today, I wish all our readers the very best in the weeks ahead.

Raymon Krishnan, FALA, FCILT

President

*The Logistics & Supply Chain
Management Society*





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Secretary - General

Asia Business Trade Association (ABTA)

Dr. Raymon Krishnan, is President of the Logistics & Supply Chain Management Society and Secretary-General of the Asia Business Trade Association.

He is the region's thought leader in Logistics, combining in-depth capability in designing and managing some of the most dynamic supply chains globally over the past three decades with a strong commercial slant, promulgating the dissemination and adoption of leading edge and practical solutions to improve Supply Chain performance.



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LogiSYM
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Etihad Cargo to Transport 68 Horses to Prestigious Longines Masters of Hong Kong Management System in Dubai

This is the third consecutive year that Etihad Cargo has been entrusted with the transport of these elite horses for the world's most prestigious show jumping event. The dedicated charter flight from Liège Airport to Hong Kong International Airport will deliver 68 horses accompanied by professional grooms and a veterinarian for the round-trip journey.

Wiam Al Qamshui, Business Development Manager responsible for Etihad Cargo's Equine product 'SkyStables', said: "We are honoured to have been chosen again to look after this very important shipment of prized animals. In the five years since our SkyStables product was introduced, Etihad Cargo has become one of the industry's most experienced specialist equine carriers. We move horses all around the world from places like

Barbados, Bogota and Japan, as well as the key Europe and Middle East equine markets. Today's announcement comes on the back of a record 2018 that saw us transport over 2,000 horses for the first time."

Christophe Ameeuw, Founder and CEO of EEM, said: "The horses flying to Hong Kong are the stars of our show and without them there would be no Longines Masters of Hong Kong. We are delighted to entrust the safety and care of these world class show jumping horses to Etihad Cargo this year again. We look forward to their arrival at Hong Kong airport next Monday 11 February and kick off of the Masters and the Asia Horse Week." Etihad Cargo achieved a number of milestones with SkyStables in 2018, including its largest transportation of 90 horses in one day, as well as the

transportation of 99 horses from MIA-AMS, as they returned from the horse racing season in Miami. The horses for the Longines Masters of Hong Kong will be transported on a Boeing 777 freighter equipped with a specially designed ventilation structure and temperature control system, two vital components when transporting horses. It is also equipped with EASA and FAA certified - horse 'air stalls'. Designed with non-slip floors which are covered with absorbent materials, the stalls are stocked with hay and water for the horses to remain fed and hydrated throughout the flight.

A team of professional grooms and veterinarians will handle the horses during loading and throughout the duration of the flight to ensure they remain comfortable and calm.

dnata Continues to Drive Innovation; Launches Cutting-edge Resource Management System in Dubai

dnata, one of the world's largest air services providers, continues to drive innovation in the Middle East aviation industry by launching a new resource management system in Dubai. The new system, which includes a leading-edge software platform and advanced

analytic tools, will help the company optimise operations and efficiently manage its 20,000 employees and resources at Dubai International Airport (DXB) and Dubai World Central (DWC).

The implementation of dnata's new resource management system is expected to significantly enhance operational efficiency, improve employee productivity and support better on-time performance. The new platform will also allow dnata to

apply further innovative technologies in its operations, including artificial intelligence-driven solutions and autonomous vehicles, in the next years. The new system will be gradually implemented across dnata's ground handling and cargo operations from June 2019. The technology will be provided by INFORM, the leading supplier of resource management systems to ground operations in the world.

Steve Allen, Divisional Senior Vice President, UAE Airport Operations, dnata, said: "Innovation is at the heart of dnata and is key to deliver the next generation airport experience in Dubai. Our new, cutting-edge resource management system will enable us to plan and manage the world's largest ground handling operations at a level never seen before in the industry."

"The new system will improve efficiency across our operations, which will benefit all dnata stakeholders, including our customers, suppliers, employees, as well as Dubai passengers. We continue to invest in our people, processes and technology to ensure the best possible service for our airline customers and their passengers."

Thomas Schmidt, Director, Airport Systems, INFORM, said: "For over 20 years, we have worked closely with dnata and supported the successful growth of its ground operations at Dubai International Airport. We are proud of this long-term relationship. With this project we will provide dnata with the latest technology and an expert, Dubai-based team."

dnata constantly enhances its

operations and processes applying leading technology to improve efficiency and productivity. dnata's most recent initiatives in Dubai include the opening of new, state-of-the-art facilities (customer service centre and cargo integrated control centre, cargo warehouse), the recycling programme of its ground services equipment (GSE), the conversion of its diesel-powered forklifts to electric ones as well as the introduction of a cloud-based software platform that enables freight forwarders, agents and airlines to plan all land transport processes more efficiently. dnata provides quality and reliable air services to a total of over 120 airlines operating from the UAE. Every day, the company's dedicated employees assist over 240,000 passengers, move 2,000 tons of cargo and prepare more than 10,000 inflight meals in the country.

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Australia Attracts Growing Volumes of Inbound Air Cargo

Australia is experiencing growth in volumes of inbound international air cargo, new official figures show. Freight volumes from overseas airports to airports in Australia grew by 7.3% in the year ended November 2018 to stand at 1,174,286 tonnes, according to the federal government's Bureau of Infrastructure, Transport and Regional Economics (BITRE).

The greatest volume of freight uplifted / discharged from overseas to Australia took place on the Singapore-Melbourne route. In the year ended November 2018, which is the latest month for which data is available, 72,371 tonnes of freight were loaded on that route.

The Singapore-Melbourne route accounts for 6.2% of the total freight volumes of 1,274,286 tonnes between all city pairs as recorded by the Federal Government's Bureau of Infrastructure, Transport and Regional Economics. Although the Singapore-Melbourne route accounted for the single largest amount of cargo, it actually experienced a marginal decline of about minus 0.2 percent in the volume shifted compared to the year ended November 2017.

The next biggest cargo route by volume of freight was Singapore-Sydney, which recorded 67,430 tonnes, representing 5.7 percent of the total and which was also down, this time by minus 1.5 percent.

Auckland (the capital city of nearby New Zealand) to Sydney was the third largest volume of aviation freight

into Australia, up 2.5 percent on the prior corresponding period to stand at 54,247 tonnes in the year ended November 2018.

Other points of note in the dataset were that volumes on the Auckland-Melbourne route were greatly down by minus 14.2 percent to stand at 27,195 tonnes in the 12 months to the end of November 2018. However, that fall was more than offset by large increases on other routes. Dubai-Sydney recorded a 13.0 percent increase in the 12 months to the end of November 2018 to stand at 28,638 tonnes. Hong Kong-Sydney saw a 6.8% increase to stand at 53,122 tonnes in the year ended November 2018.

Executives were at a loss to explain the reasons for growth in volumes.

"Volumes are up but they are catching up to previous seasons; so I don't think that there's any specific reason," one industry observer says.

The Australian aviation freight data is particularly interesting when the data for the month of November 2018 itself (i.e. not on a year-to-year basis) is compared with IATA data for the same timeframe.

BITRE reports that, in the month of November 2018, the total volume of air freight (both inbound to, and outbound from) Australia fell by minus 0.3 percent to stand at 107,183 tonnes. The fall in the overall November 2018 volumes was probably located in the inbound traffic volumes which fell by 5.9%. That fall in inbound

volumes was offset by a 5.6% increase in outbound traffic volumes. IATA noted that, on a global basis for the month of November 2018, that air freight demand was flat compared to November 2017.

"Normally the fourth quarter is a peak season for air cargo. So essentially flat growth in November is a big disappointment. While our outlook is for 3.7% demand growth in 2019, downside risks are mounting. Trade tensions are cause for great concern. We need governments to focus on enabling growth through trade, not barricading their borders through punitive tariffs," said Alexandre de Juniac, IATA's Director General and CEO.

Specifically in relation to the Asia-Pacific region, IATA recorded a fall in demand for, and an increase in supply of, air freight. The region's volume of freight, as actually carried on a freight-tonne-kilometre basis, declined by minus 2.3 percent. Aviation cargo capacity in the region, as measured by available-freight-tonne-kilometres, increased by 3.1%.

IATA noted that November 2018 was first time that there had been a decline on a monthly year-on-year basis since May 2016. IATA pinpointed weaker manufacturing conditions for exporters and shorter delivery times as impacting demand.

PSA Container Thoroughput Performance for 2018

PSA International Pte Ltd (PSA) handled 81.00 million Twenty-foot Equivalent Units (TEUs) of containers at its port projects around the world for the year ending 31 December 2018. The Group's volume increased by 9.1% over 2017, with flagship PSA Singapore contributing 36.31 million TEUs (+8.9%) and PSA terminals outside Singapore handling 44.69 million TEUs (+9.3%).

Mr Tan Chong Meng, Group CEO of PSA, said, "2018 was a dual-speed year. The slow but steady pace of global container trade growth continued, despite geo-political shifts and rising trade barriers. At the same time, there was a surge in digitalisation activities within the global supply chain which promised better visibility and efficiency, while

the industry continues to grapple with issues of data standardisation and collaboration.

"Against this backdrop, the PSA Group has achieved good volume growth, thanks to the support from our customers and partners globally. I would like to express my deepest appreciation to our unions, staff and management for their steadfast dedication and spirited contributions throughout the year. They handled the increased complexity and operational demands from the new state of shipping alliances with aplomb, enabling PSA to be a valued partner to our customers.

"As we run full speed into 2019, we at PSA are excited about the opportunities and challenges ahead

in this age of disruptions.

"We will continue to build on our global network of ports while leading the charge towards co-creating an Internet of Logistics – an ecosystem that is plug-and-play, that links up a mesh of communities through interoperability, and which allows us to innovate boldly.

"We pledge our commitment to continue to serve our shipping line customers to the best of our abilities, even as we pursue win-win partnerships with cargo owners and movers, and stretch our capabilities as a team to propel us closer towards our vision of a truly connected and transformed global supply chain."

TS Lines to Upgrade Fleet for Business Expansion

Taiwan-based container ship operator TS Lines plans to expand its core business from mainland to Asia and upgrade its fleet.

The company will upgrade the size of containerships deployed for several routes of Korea-China-Malaysia, Korea-China-India-Pakistan and Australia from 2,800 teu to 4,250 teu; 5,000 teu to 6,500 teu and 4,250 teu to 5,500 teu separately. It will assign 4,250 teu

containerships for its new route of China-Malaysia 3

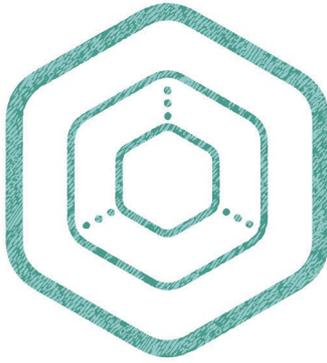
The company also plans to newly launch the shipping route for China - Ho Chi Minh City and deploy more ships for Japan-Singapore/Malaysia, disclosed by TS Chen, ceo of TS Lines.

According to Chen, the company is considering an order of new container ships between 1,000 teu and 2,800 teu

this year, aims to have a self-owned fleet of 18 ships in the coming years.

TS Lines, established in 2001, is the fourth largest ocean freight company in Taiwan. The company currently operates a fleet of 37 container ships, including six self-owned containerships.

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UK Plans to Temporarily Waive Customs Checks on EU Goods

The government of UK Prime Minister Theresa May is making bold unilateral moves to avoid the potential impact of a "no-deal" Brexit on Britain's seaports. Her administration has already contracted with three freight ferry operators for extra cross-Channel capacity, and on Monday, it announced that most truck-borne EU goods will not be subjected to time-consuming inspections upon arrival.

In the event of a "no-deal" Brexit, British customs officials "will allow most goods moving from [20] listed roll on roll off locations to leave the UK port or train station before you've told us that the goods have arrived," HM Revenue and Customs told importers in guidance released Monday. Importers will have until the end of the next working day to provide notice to customs. These "transitional simplified procedures" are temporary, and HMRC

will review them after three to six months.

The measure will take some of the pressure off of the UK's busy cross-Channel seaports - especially Dover - which have warned of significant delays in the event of a "no-deal" Brexit. Dover has long warned that even brief customs checks on arriving trucks could lead to serious congestion problems at the port.

Last October, Brittany Ferries CEO Christophe Mathieu predicted that the UK might drop customs inspections on its own if it could not negotiate a post-Brexit trade agreement with the EU. "The British may take a pragmatic approach and wave lorries through upon arrival into the UK," he said.

"But Cross-Channel trade works both ways. In a worst-case scenario,

British hauliers carrying refrigerated goods could face the prospect of far longer journeys - perhaps hundreds of additional miles - to find a French port equipped to process their consignment. When they finally get there, they could encounter further delays waiting for checks to take place."

May has yet to negotiate a transition agreement that satisfies both the EU and Britain's parliament, and the odds of an abrupt exit from the European Union are rising as the March 29 deadline approaches. A previously announced plan to charter in additional ferries is said to have fallen short of the target for 20 percent of additional ro-ro freight capacity, raising the prospect that other measures may be required

Portugal Announces 'Smart' Shipping and Maritime Plan

The Portuguese government has announced an initiative aimed at accelerating the creation of smart technology start-ups in the shipping and ports sectors, according to a statement.

Named 'Bluetech Accelerator - Ports & Shipping 4.0', the programme is being led by the Minister of the Sea

of Portugal and is designed to make the country a world leader in smart technology innovation.

The government has said it has already established a coalition of stakeholders, including shipping groups Portline Group and ETE Group, the ports of Sines and Leixoes and digital and robotics companies Inmarsat and

Tekever to identify and finance start-ups in the smart technology and shipping industry.

The chosen start-ups will be announced in the last quarter of 2019, and the government has said it expects other stakeholders in the maritime and port sector to join the initiative.

Speaking about the initiative, Portuguese Minister of the Sea, Ana Paula Vitorino, said, "The Portuguese port system must be seen as the front line of the implementation of the blue economy based on the operational, energy and environmental innovation of maritime industries, promoting the emergence of new companies."

"This objective will be possible through the creation of a network of Port Tech Clusters, platforms for accelerating the technological and business innovation of sustainable blue port-based businesses."

From here will be created new companies that will constitute and reinforce the Port Tech Cluster 4.0, innovation network that will be installed in the national port system focused on the application of industry

4.0 to the maritime-port sector.

The Port of Sines, a key participant in the scheme, signed an agreement last week with MSC Mediterranean Shipping Company to develop a new, next-gen container terminal.

The blue economy has represented 3.1% of gross value added in Portugal in recent years, and is now growing in several sectors, the Minister said, adding that there is a huge opportunity for blue growth for the country's sustainable development. "And leaving an ambitious target for increasing the contribution of the Sea Economy to 5% by the beginning of the next decade."

"The first policy line aims to increase the efficiency of the traditional sea economy. The dynamics generated

by innovation and continuous improvement will potentially lead to the second policy line, focused on the development of a new economy of the sea. This policy strategy focuses on ports as privileged access points to the sea and places with conditions for the installation of maritime industries.

Ana Paula Vitorino reaffirmed that the accelerator will be the driving force behind the creation of innovative solutions taking into account key drivers of change in the port business model and shipping, such as artificial intelligence, low carbon economy, energy efficiency, autonomous ships, markets online for shipping, integration processes based on technology blockchain, cyber security, automation and robot control of maritime and port operations.

Aderco: Planning for Sulphur Cap Just Over a Month Away

Swiss-based marine fuel treatment company Aderco reminded ship owners, ship managers and operators that they should already have started planning to comply with the IMO's 2020 global sulphur cap.

Olivier Baiwir, CEO of Aderco, believes some in the maritime industry perceive the start of the cap as being nearly a year away, but they need to rethink that position and, quickly, to ensure they will be compliant with the new regulations.

"The IMO sulphur cap starts on January 1, 2020 but in reality, the planning for compliance is just over a month away. By this March ship owners,

ship managers and operators need to be lining up their treatments in preparation for the end of 2019 when they will be bunkering the new fuels. Despite the recent highly publicized bans on open-loop scrubbers, fuel treatment remains the most cost-effective and simplest way to address compliance, as well as providing an extra bonus of helping to protect your marine diesel engines," Baiwir said.

As explained, in the run-up to the cap, flushing and cleaning of tanks prior to bunkering new fuel is the most important task to be addressed.

"Even the slightest amount of high-sulphur fuel remaining in the tank will mean non-compliance. Using fuel

treatment from our recommended date of June this year should provide the necessary flushing and cleaning ready for the new fuel," he added.

Baiwir sees additives as a continuous and effective solution to the cap and the smart way towards compliance. Additives are poured directly into storage tanks prior to bunkering and can also be added directly into fuel tanks to reduce commingling risks, regenerate the current sludge into usable fuel and clean out contaminants before taking on the new low-sulphur fuel, Aderco explained.

cargo-partner Making Big Steps in Slovenia



Photo: Viktor Kastelic, Managing Director, cargo-partner



Photo: cargo-partner topping out warehouse Ljubljana CP Slovenia

With the construction of the iLogistics Center in Ljubljana quickly progressing, a further growth spurt is on the horizon for the rapidly expanding transport and info-logistics provider in Europe. In addition, cargo-partner in Slovenia was recently awarded with the 'Invest Slovenia FDI Award'. To celebrate its achievements and as a thank-you to its loyal customers, cargo-partner threw an exclusive 'Pre-New-Year's Party' at Ljubljana Castle.

The construction of cargo-partner's iLogistics Center in Ljubljana, which officially began in June, is fully on schedule. In November, the topping out of the high rack warehouse was completed. In the administrative building, the paneling of the second floor has been finished and preparations are underway for the third floor. The service areas – boiler room, electrical service room, engine room – are nearly completed, and amenities such as fire sprinkler systems, heating and electrical installations are currently being installed. In the cross-dock and block storage area, the foundation has been finished and the first concrete columns have been placed. All building works are thus well

underway for the planned opening in summer 2019.

Located directly next to Ljubljana Airport, approximately 20 minutes from the city center, the iLogistics Center will provide 25,000 m² of storage space, create over 30 new jobs in the first stage and will strongly contribute to the further development of the region. This contribution was recently honored with the Invest Slovenia FDI Award in the category 'Logistics Center/Hub' given out by SPIRIT Slovenia on November 27, 2018. Since 2006, SPIRIT Slovenia has been awarding the best foreign investors who have generated outstanding results in the previous year and made significant contributions to the development of the Slovenian economy. Organized in close cooperation with Slovenia's Ministry of Economic Development and Technology, the FDI Award is part of Slovenia's comprehensive strategy to gain foreign direct investments.

At the occasion of the award ceremony, Viktor Kastelic, Managing Director of cargo-partner in Slovenia, explained the motivations behind

the investment: "We believe that this special location near Brnik Airport and the ports of Koper and Trieste will remain an important gateway from Asia and to the Mediterranean Sea." He further emphasized the company's integrated approach to logistics as a key differentiator on the market: "As a mid-sized company, we are able to create personalized solutions for the needs of specific customers and industries. We don't just offer transports from A to B, but rather strive for a deep integration with customers by means of our comprehensive IT systems. This allows us to support our clients in every aspect of their supply chain."

To celebrate the end of a successful year, cargo-partner in Slovenia hosted its by now traditional 'Pre-New-Year's Party' for 250 guests from all around the world at the illustrious Ljubljana Castle in early December. The evening's entertainment program, which included live music and a dynamic buffet, was very well-received by the international guests.

Redwood Logistics Launches Innovative Parcel Service

Redwood Logistics, a full-service, strategically integrated logistics provider, announced today the launch of a new parcel service that will provide customers with an integrated, cost-saving solution for parcel shipping. Redwood's parcel service implements a proven process that combines initial benchmarking and consulting, procurement strategy and execution, as well as ongoing analytics and reporting.

The parcel service addition bolsters Redwood's core competencies, including multimodal brokerage, freight management, warehousing and dedicated distribution, transportation management system (TMS) implementation and integration expertise.

"E-commerce continues to emerge

as a vital growth channel for many of our customers," said Mark Yeager, CEO of Redwood Logistics. "Having a parcel offering is an important and strategically integrated step to support our customers through our freight management platform. Parcel continues to grow for most shippers, but this mode is largely underserved by third-party logistics providers. Customers need help with strategy, expertise and execution in parcel. We are excited to be able to offer this solution as a key benefit to them."

Redwood's parcel service effectively evaluates customers' shipping requirements and optimizes supply chain planning with a continual improvement, three-step process:

The Assessment/Parcel Audit: Cost modeling evaluation, Provider

Assessments, Distribution Network Analysis and Sourcing Consultation. Strategy and Execution: Pricing and terms strategy, Data-based Operations recommendation, Procurement and Savings Validation.

Analytics and Reporting: Carrier performance compliance, Accurate Forecasting and Invoice audit reconciliation and Shipment visibility.

"Our customers can now enjoy visibility, analytics, reporting and savings through our expertise in managing their parcel process," said Todd Berger, President of Redwood Logistics. "We have a portfolio of customers who have benefited from our leadership in this area and we are pleased to expand our capabilities and offer this service that will drive efficiency in supply chain planning."

Wendi Gentry-Stuenkel Moves to Caterpillar

Wendi Gentry-Stuenkel has taken up a new role as director of integrated logistics at commercial equipment-maker Caterpillar. As reported in January, she recently left her role as head of supply chain in North America for Fiat Chrysler Automobiles (FCA) after a 20-year tenure with the company.

Caterpillar would not discuss the details of Gentry-Stuenkel's

responsibilities there but she has considerable experience in supply chain and logistics. She previously held various supply chain, purchasing and manufacturing roles with Chrysler, including director of commercial operations for Chrysler Group, director of supplier delivery risk management and inter-regional flow and, prior to that, senior manager for product development global sourcing.

In 2017, Caterpillar reorganised its logistics with the creation of its Product Support & Logistics Division (PSLD), led by Chris Snodgrass. The division covers design and manufacturing of wear and maintenance component products, as well as support of prime product and parts distribution, inbound and outbound logistics, warehousing functions, and packaging and container management.



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GETTING READY FOR THE FUTURE: SC 4.0

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The rise of new and disruptive technologies is having a major impact on industrial operations, but more importantly it is changing how supply chains work. A new set of technological advancements, collectively referred to as 'Supply Chain 4.0' are influencing how organizations are overseeing various aspects of their operations. Amid these changes, new opportunities are arising for the GCC chemical industry to lead the regional transformation into more automated and integrated supply chains. However, this will involve overcoming many challenges. Those who embrace these changes and take greater risks will extract greater rewards.

The 11th edition of the GPCA Supply Chain Conference will be held under the theme "Getting Ready for the Future: Supply Chain 4.0". The three-day conference will take place from 15-17 April 2019 at InterContinental Festival City Hotel, Dubai, UAE. It will showcase the impact of disruptive technologies on GCC chemical supply chains through a series of expert presentations, case studies from the region and the world, dedicated masterclasses and audience engagement platforms. It will connect leaders from the industry, service providers, consultants, regulators, academia and other key stakeholders to share their knowledge.

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Moves to Boost Skills of Logistics Workers

Efforts are under way to boost the logistics industry by improving the skills of workers in the sector, said Senior Minister of State for Trade and Industry Koh Poh Koon.

Dr Koh said yesterday: "The logistics sector forms the backbone of our economy and contributes to our quality of life...Emerging business and technology trends such as big data, 3D printing and digitalisation bring about new growth opportunities. Companies need to be agile to seize these new opportunities and, in turn, there will be improvements to existing jobs, as well as exciting new job opportunities."

Dr Koh made his remarks at a ceremony

to mark agreements that home-grown firm ST Logistics has signed with NTUC LearningHub and the National University of Singapore (NUS).

Its memorandum of understanding with NTUC LearningHub allows both parties to start working together on skills-upgrading efforts, while the partnership with NUS will provide more training opportunities for working adults.

These initiatives will give logistics workers opportunities to gain new skills and certification through courses and bachelor's and master's programmes.

Dr Koh announced on the sidelines

of the event at Toll City - a next-generation logistics hub in Tuas - that Workforce Singapore will add 200 places in the Professional Conversion Programmes for logistics officers and executives to encourage more professionals to enter the sector. Over 450 professionals and executives have moved into the industry through such programmes since June 2017.

The National Trades Union Congress will also lead the formation of company training committees through the Supply Chain Employees' Union. These will look at how to curate training that is required on the ground. The committees can also examine how to redesign jobs and encourage workers for retraining.

Indigo Launches Digital Logistics Platform for Grain Transport

A new digital logistics platform harnesses technology in an effort to improve availability and reliability in the \$7.5 billion agricultural transportation sector while boosting transparency and profitability for producers, carriers and shippers.

Launched in October 2018, Indigo Transport is the latest venture from Indigo Agriculture, the digital marketplace for connecting growers, grain elevators, food processors and others in the food supply chain. Transport also may be used to move grain for transactions conducted

outside of Marketplace. But as an add-on, sellers have access to a wide pool of buyers beyond their immediate market.

Indigo Transport allow sellers to select the best bid for their transportation needs from among a network of independent carriers vetted for quality and reliability of service and equipment. More than 3,000 trucks have been approved thus far after evaluations for safety on the road and at origins and destinations, insurance coverage and adherence to food safety transportation policies.

Indigo encourages growers who are commercially licensed and own their own transportation equipment to enroll as carriers, adding an additional revenue stream using their expensive, under-utilized on-farm assets.

The platform manages all aspects of on-farm pick-up, transportation and delivery. Buyers and sellers can see detailed progress during shipping on the Transport smartphone app. Delivery issues managed by Indigo include replacement equipment and substitute drivers in the event of carrier cancellations. The company,

an insured, bonded and licensed grain trader in the states in which it operates, pays growers directly upon grain delivery and is registered with the Federal Motor Carrier Safety Administration of the U.S. Department of Transportation.

By phone or using the smartphone app, carriers can find loads that fit

their schedules and tap in to exclusive contracts with Indigo Marketplace sellers, currently numbering in the thousands and representing \$10 billion worth of grain inventory. Contract details are released immediately at booking and Indigo handles payments when grain is delivered. Carriers are not under contract to Indigo, thus can continue to service pre-existing

customers and other new business.

Indigo Transport promises shippers the chance to “book delivery, not trucks,” underscoring access to simple logistics management, the growing network of trucks, and the potential savings inherent in carriers competing for business.

DHL rolls out new Brazil-U.S. Medical Express

Global express delivery and logistics services provider DHL announced last week that its DHL Express subsidiary rolled out a new offering geared towards pharmaceutical and clinical research sector shippers between the United States and Brazil.

Entitled DHL Medical Express Service (WMX), DHL said this service was launched in November 2018 as a pilot program, and focuses on increased customer demand for faster and more predictable lead times in response to regulatory complexities that can often delay exports, adding that this service provides major benefits for clinical trial patients, as “temperature-sensitive biological products and new patient-specific treatments will be in the right hands, exactly when needed.”

“DHL Medical Express continues to meet the needs of the pharmaceutical industry and clinical research sectors with forward-thinking, intelligent solutions,” said Mike Parra, CEO of DHL Express Americas, in a statement. “The launch of this service in Brazil completes our ambition to offer

logistics solutions in the Latin and South American countries where most clinical trials are conducted. Our strong international network, compliant certifications and combination of responsiveness, reliability and cost-effectiveness will enable this service to be advantageous to all stakeholders in the clinical trial value chain.”

Brian Bralynski Director of Life Sciences Healthcare Americas, DHL Express, said that the need for this service was driven by the increase of demand for faster, more predictable lead times of transports for customers in the pharmaceutical and clinical research sectors. He also noted that the pilot program lasted 60 days and involved three shippers.

“In an effort to provide logistics solutions for the Latin and South American countries, like Brazil, that conduct the most clinical trials, the service helps ensure that temperature-sensitive biological products and new patient-specific treatments are delivered when expected,” he said.

When asked to cite the biggest

benefits of DHL Medical Express (WMX), Bralynski pointed to how the Medical Express Service manages the export and regulatory requirements for urgent shipments with specific temperature needs from several major cities in Brazil to most U.S. destinations in 24 to 48 hours. It also pre-prepares many of the necessary documents required by investigator sites to begin the export and fiscal approval process, which he said solves the issue of delayed exports cause by existing regulatory complexities. Pre-determined contingencies circumvent delays, and DHL quality control centers monitor the 24/7 shipments.

Before undertaking this initiative, Bralynski said that DHL did not handle these types of shipments since the features of WMX and its clinical trial platform were not set up in Brazil.

DHL said that it is the first integrator to enter the Latin and South American markets with a holistic service offering geared toward the needs of stakeholders within the clinical research space, adding that it represents a new market alternative to the commercial carriers that have historically served the region and provides a solid solution to deliver excellence to the healthcare industry.

Narrow Aisle Announces Factory Expansion Plans to Keep Pace with Growing Demand for Flexi Trucks



Photo Source: <http://test.narrowaisleinc.com/>

Narrow Aisle Ltd, manufacturer of the Flexi range of articulated forklift truck-based intralogistics solutions, has announced a major investment strategy that will allow the company to significantly increase output at its UK production site over the next three years.

The extra capacity is required to meet the sustained and growing demand for Flexi trucks from third party logistics specialists as well as own-account warehouse operators across a diverse range of industry sectors – both in the UK and worldwide.

John Maguire, commercial director of Narrow Aisle, commented: “There a number of factors that are driving the strong demand for Flexi products. For example, continued growth in the e-commerce-based retail market is leading to further investment in high density product storage and, as Flexis are able to work efficiently and safely within the narrowest aisles without the need for expensive wire or rail fixed guidance systems, they are an

attractive proposition at sites where space is at a premium and speed of implementation is critical.

“In addition, the ongoing short supply of modern warehouse facilities is forcing many companies to refurbish and reconfigure existing building stock in an effort to maximize the amount of storage space they have available and free up areas for ‘pick and pack’ and product returns processing. At the same time, many companies are taking the opportunity to introduce new intralogistics technology and handling techniques to create a much more cost-effective operation.”

Narrow Aisle began warehouse truck manufacturing operations in Great Bridge, Tipton, in the late 1970s. The current Victorian-era site was earlier used for the production of industrial railway engines and steam-powered narrow boats. The planned refurbishment work at Great Bridge will ensure that many of the building’s original structural features are maintained but the modern factory

will optimise quality and production processes.

The project will also include the overhaul and extension of the site’s production and spare parts operation, to allow an increased stock handling and pick and pack capacity to provide same-day dispatch of spare parts to UK and Overseas distributors.

In addition, loading facilities are to be upgraded to deliver extra capacity for sea-containers into which Flexis are loaded for shipment to overseas clients. The company currently exports to over 60 countries worldwide and international sales now account for some 40 percent of Narrow Aisle’s business.

John Maguire added: “The Flexi articulated forklift truck concept is now well established and as sales continue to grow we have to ensure that our production facilities are able to keep pace with demand. The investment in our UK manufacturing site is a reflection of our confidence in our business and our products.”

Deloitte Completes Joint Pilot Digitizing Supply Chain Management on Multiple DLTs

Big Four audit and consulting firm Deloitte has successfully completed a joint pilot for digitizing the supply chain on multiple blockchain networks, according to an official press release published on Feb. 1.

Within the new project, Deloitte has collaborated with the Hong Kong Stock Exchange-listed blockchain firm Kerry Logistics and CargoSmart, a Hong Kong-based company specializing in supply chain management.

Completed in late 2018, the platform's

Proof-of-Concept (PoC) is reportedly interoperable across different blockchains and cloud networks commonly used in global trading and finance, the press release says. By joining data on multiple distributed ledger technology (DLT) chains, the platform is designed to boost efficiency for the global shipping industry by making the exchange of digitized documents more transparent.

Paul Sin, Deloitte Asia Pacific Blockchain Lab Leader, stated that the firm looks forward to initiating more

similar cross-industry collaboration in the blockchain space in the future.

Different blockchain's interoperability has been one of the most important issues on the way for global adoption of DLT technology. Recently, the Head of Global Trade and Receivable Finance at multinational banking firm HSBC claimed that blockchain has the potential bring a unified ecosystem between the financial ecosystem and the supply chain, emphasizing that in order to be successful, the tech should be adopted widely and interoperable.

Recently, blockchain interoperability protocol Polkadot (DOT), created by Ethereum (ETH) co-founder Gavin Wood, has been reported to be planning to raise up to \$60 million in an additional token sale that can potentially bring the fully-diluted market value of its tokens to \$1.2 billion.

IBM Tests 'Track and Trace' for Container Shipping

The rapidly expanding number of IoT applications has opened a wealth of opportunities for warehousing, tracking inventory, monitoring asset health and optimizing transit routes. However, as the push for 5G networks has shown, smarter and faster broadband connections are needed to handle transmitting and analyzing this newly generated data in real time.

IBM and Sigfox's "Track and Trace" initiative attempts to get ahead of this problem by combining IBM's existing IoT cloud platform with Sigfox's "0G"

data transmission technology.

"[0G] connects your 'things' at lower power and lower cost ... and makes viable the kinds of amoeba-like IoT organisms that licensed cellular technologies simply cannot justify," according to Bertrand Ramé, Sigfox's Senior Vice President for International Operations, as cited in a blog post.

The 0G technology acts as a backup link to keep IoT data moving over 3, 4, and 5G networks in the event any one of them is compromised or loses

bandwidth. It complements existing cellular networks and doesn't require users to alter their existing devices in order to take advantage of it, Ramé said.

This 0G network may be the key factor that sets up "Track and Trace" to be uniquely effective in managing IoT data on an enterprise scale. "It is a real disruption and a new step in the digitalization of the Supply Chain," Vincent said.

Startup Kijenzi Using 3D Printing to Deliver Medical Equipment to Kenya



Photo Courtesy: Kijenzi

From Penn State's University Park campus to remote medical facilities in rural Kenya, tech startup Kijenzi is developing solutions to deliver medical equipment using a surprising method — 3D printing. Broken machinery, outdated supply chains, and limited access to specialty equipment leaves Kenyan clinics with huge challenges in bringing health care to those in need. Kijenzi is hoping to change that.

Developed in the Penn State College of Engineering, Kijenzi's original concept was to create an easily moveable 3D printer to quickly produce health equipment like braces, clamps and vacuum pumps at low cost. By working in the Kenyan community, the inventors soon realized the lack of 3D printers wasn't the problem. What was really needed was access to the CAD design files needed to print the equipment. This changed the team's focus from printing, to developing a system that allows hospitals to have

“

Our customers are health care facilities that don't have access to the supply chains they need and over 40 percent don't have the equipment needed to treat their patients.

John K. Gershenson
Co-founder,
Kijenzi

access to these files and to trained people to print the parts.

The cloud-based system bypasses the traditionally slow and cost-prohibitive medical supply chains. Clinics in Kenya using the Kijenzi system can now produce or “print” the equipment they need, when they need it.

“Our customers are health care

facilities that don't have access to the supply chains they need and over 40 percent don't have the equipment needed to treat their patients. We bring the ability to locally manufacture what they need, when they need it. That is a game changer for access to treatment,” said John K. Gershenson, director of the Penn State Humanitarian Engineering and Social Entrepreneurship (HESE) program and the co-founder of Kijenzi.

Along with co-founder Benjamin Savonen, a doctoral candidate in mechanical engineering, and other students who joined the team along the way, Gershenson grew and developed the idea with the help a number of entrepreneurial support programs at Penn State. The first was the Penn State Humanitarian Engineering and Social Entrepreneurship program, which challenges students and faculty to create technology-based solutions that will directly impact people in lower income communities around the world, and then to develop sustainable business models to deliver these technologies to the people.

The Kijenzi team also participated in the Ben Franklin Technology Center's TechCelerator program, a partnership with Invent Penn State that offers startups business support and entrepreneurial resources all in one location.

“The TechCelerator gave us the time and feedback we needed to craft the story of Kijenzi in such a way that everyone could understand what we are doing,” said Gershenson.

Xero for the Logistics Industry

Xero, a New Zealand-based software company, has revolutionised the accounting sector with its cloud-based accounting software solution for small and medium-sized businesses.

Established in 2006 by Rod Drury after recognising that traditional desktop accounting software had become outdated, Xero is now one of the top 20 companies on the New Zealand Stock Exchange and is listed on the

Australian Securities Exchange.

Xero uses the Software as a Service (SaaS) model and is sold by subscription, based on the type and number of company entities managed by the subscriber – this makes the solution more accessible for small- to medium-sized businesses.

The business now has offices in New Zealand, Australia, the US and the UK

and services customers in more than 180 countries.

Influenced by the success of and philosophy of Xero, Queensland-based Vincent Fletcher and Nic Comrie saw a similar gap in the market for small to medium-sized businesses operating in the logistics sector for warehouse and transport management systems.

Kerry Logistics Keeps Faith with 'Overhyped' Blockchain Technology

Kerry Logistics is hoping to boost efficiency and improve the traceability of shipping documents via a new blockchain platform.

Together with partners CargoSmart and Deloitte, Kerry conducted proof-of-concept on the system in December, which is aimed at improving interoperability between carriers and forwarders and is compatible with different distributed ledger technology (DLT) and multiple cloud networks.

However, there is increasing scrutiny and questions being raised on blockchain's true value to supply chains.

A survey conducted last year by Deloitte itself found that 39% of those in logistics thought the buzz surrounding blockchain's potential

was "wildly overhyped".

And the JOC quoted a veteran shipping executive who warned the industry not to get too carried away with DLT and, instead, focus on improving data. But Wilson Lee, group director of information technology at Kerry, said he was pleased with the development.

"Distributed ledger is a technology that could simplify the complicated transactions in logistics operations," he said. "Blockchain is more than cryptocurrency, it is the future of logistics, especially when internet of things applications are put to use.

"Kerry Logistics sees it as the solution for ultimate supply chain optimisation and is trying all means to be in the vanguard of this revolution."

Mr Lee's opposite number at Deloitte,

Paul Sin, described the complications surrounding documentation transfer as in need of fixing. But he noted that while this new blockchain platform would not be the end of the matter, it was the first step in transforming the industry.

"In addition to facilitating document coordination, DLT speeds up approvals, provides updated and secure data for informed decisions and offers a source of truth," he said.

"We therefore expect even greater benefits from DLT applications for shippers, forwarders, carriers, and other players at large in the future."

Alibaba Launches A100 Strategic Partnership Program

Alibaba Group Holding Limited today announced the launch of “A100,” a strategic partnership program that offers companies a holistic one-stop solution to accelerate their digital transformation. Members of A100 will develop a deep and longstanding working relationship with Alibaba businesses across multiple functions and platforms to co-create the best values that are efficient, effective and sustainable in the digital era.

The A100 initiative was announced at the inaugural “Alibaba ONE Business Conference” in Hangzhou. The name, “A100,” symbolizes Alibaba’s goal of providing digitized solutions to a large number of companies.

The A100 program is built on the “Alibaba Operating System,” which was showcased at the conference. The creation of the Alibaba Operating System is indeed a part of company’s natural progression from an e-commerce provider to an integrated global technology company. As Alibaba has expanded its business from pure e-commerce into digital entertainment and local services, the power of its infrastructure has grown to cover sales, logistics, supply chain optimization, payments, marketing and a wide range of supporting services all powered by cloud-based technologies. With those strong cloud-computing capabilities, the infrastructure is able to process a massive flow of data, offering insights

and analytics instrumental to better meeting customer needs and growing their business. New Retail is a key interface through which businesses can tap into the Alibaba Operating System.

The Alibaba ONE Business Conference also highlighted the success of New Retail – a model pioneered by Alibaba to integrate online and offline retail through digitizing store-based operations. New Retail has gained strong ground in the past two years, with over 1,200 brands having digitized and upgraded more than 200,000 offline stores into “smart stores.”

CE-Ventures Acquires Significant Stake in UAE-based Transcorp

CE-Ventures, the corporate venture capital arm of Crescent Enterprises, has acquired a sizeable minority stake of Dubai-based Transcorp International (Transcorp) to support its expansion across the MENA region.

The transaction is a part of a Crescent Enterprises strategy to invest US\$150 million (AED550 million) through CE-Ventures in early- to late-stage startups over the next three years, targeting a broad range of strategic domains from medical technology, artificial intelligence and cyber security to food, energy-tech and supply chain tech.

Tushar Singhvi, Director of CE-Ventures, said in a press release that CE-Ventures’ strategy is to identify strong result-oriented founders and support them over the long term.

Streamlining last-mile logistics, Transcorp offers end-to-end solutions to enterprise customers, including warehousing, transportation and product distribution. It has a well-developed network across the UAE and aims to strengthen its presence in Saudi Arabia and other MENA countries.

“The investment from CE-Ventures has provided us with the means to fast-track our expansion within the MENA region and introduce our service offering to other industries,” said Rodrigue Nacouzi, CEO and founder of Transcorp. “Crescent Enterprises’ extensive logistics expertise will enable Transcorp to explore new markets and domains and achieve its goal of addressing the gaps in last-mile distribution services.”

MARKET MOVES

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A report by PricewaterhouseCoopers revealed that the first half year of 2018 for the Transport and Logistics sector was a record period in terms of deal value (\$ 74.3 billion). A slight slowdown in the number of deals could be observed compared to previous half years (127). In the second half of 2018, however, only 92 deals were announced in the T&L industry which is the lowest number in five years. The total deal value was also nearly half that of the first half year (\$ 41.0 billion).

The report points out Intense competition for target properties in combination with investment pressure has led to a hike in prices for companies in the area of infrastructure, railways and airlines resulting in various transactions being discontinued. Additionally, global factors such as uncertainties surrounding the US-China trade dispute – a good example of protectionism – weighed on both the logistics and general markets.

Measured by the deals announced in 2018, there was a slowdown in M&A activity across all industries but the decline in the Transport and Logistics

sector is particularly strong at -22.6%. Other supply chain industries like Retail and Consumer (+0.6%) and Industrial manufacturing show a stable level or more moderate decline in M&A activity.

The outlook for future M&A activity is rather optimistic. Deal activity in the T&L industry is expected to pick up in 2019. Investors continue to have huge fund available for acquisitions. The industry is in a state of cut-throat competition to the detriment of margins, impairing companies' ability to make bold investments to streamline or digitize their businesses. PricewaterhouseCoopers hypothesize that this may lead to further industry consolidation.

However increased deal activity along the Silk Road and in Europe can be expected should the economic situation in China improve. The potentiality of a hard Brexit could might reshuffle international supply chains and consequently become a new driver for M&A for Transport and Logistics in Europe.

WiseTech Global acquires Systema

Australian logistics company WiseTech, has announced the acquisition of Systema AS, a leading customs management solutions provider in Norway.

Headquartered in Oslo, Systema offers customs and logistics management solutions from its core software platform SYSPED to customers in Norway, Denmark and Sweden.

Customers include DACHSER, DHL, DSV, Norsk Trailer Express, Schenker, PostNord, and many other logistics providers and organisations.

WiseTech Global Founder and CEO, Richard White, said "Systema's valuable customs and crossborder expertise will deepen our footprint in the Nordic region's three largest markets, Norway, Denmark and Sweden. Systema's considerable Norwegian customs solutions experience combined with our powerful global innovation and development capabilities, and CargoWise One platform, will enhance integrated cross-border logistics solutions for thousands of logistics organisations worldwide.

“This is a further step in our global geographic foothold strategy, expanding WiseTech’s lead in customs clearance and border compliance, which continues to grow in importance for world trade. This transaction follows our recent acquisition of CargolT, a leading customs management solutions provider in Sweden, and our European foothold acquisitions in Belgium, Germany, France, Ireland, Italy, Netherlands, Spain, and Turkey,” Systema CEO, Birgit Vegheim said.

Remaining under the leadership of CEO, Birgit Vegheim, and Founder, Svein Huse, Systema’s operations will be integrated within the WiseTech Global group and Systema will continue to deliver its logistics management solutions directly to its own customers, along with CargoWise One.

This transaction follows WiseTech’s other recent logistics solutions acquisitions in Argentina, Australasia, Belgium, Brazil, Canada, France, Germany, Ireland, Italy, the Netherlands, North America, Spain, Sweden, Taiwan, Turkey, the UK and Uruguay, and is in line with WiseTech Global’s clearly stated strategy of accelerating long-term organic growth through targeted, valuable acquisitions.

Japanese-Singaporean JV focuses on SE Asian cool chain logistics

Japanese F&B company, Kokubu Group has established a perishables logistics joint venture with Singapore’s Commonwealth Capital Group, to focus on the Southeast Asian market.

The new company – Commonwealth Kokubu Logistics (CKL) – will provide end-to-end supply chain solutions to food retailers and food services firms, in Singapore and the region. These encompass all aspects of food supply chain management from pre-production inventory control to

temperature-logged warehousing and last mile delivery. Kokubu runs 279 food logistics and distribution centres in Japan, delivering items from 10,000 food manufacturers to 35,000 customers, including hotels, restaurants, cafes, supermarkets and convenience stores.

The new company is reviewing potential sites in the region to build a network of state-of-the-art cool chain logistics centres.

Andrew Kwan, group managing director of Commonwealth Capital Group, says: “We have now set our sights on establishing similar facilities across all the major cities in Southeast Asia.

“This will allow us to offer our signature cold-chain logistics services through our own network of contiguous facilities in all the major cities.

“I cannot over-emphasise the strategic and economic importance of ASEAN markets within the emergent Indo-Pacific to a Singapore company, given the geopolitics of our world in recent times. Our expansion into one of the fastest-growing regions of the world is timely, to say the least,” Kwan adds.

The CKL joint venture will also tap Kokubu Group’s existing partnerships with e-commerce players in Japan to roll out similar capabilities in Singapore and the rest of Southeast Asia.

The joint venture will also use technologies such as blockchain, artificial intelligence and the Internet of Things in its supply chain, enabling products to be traced from the farm to the end user, among other benefits.

Freightera Logistics Secures Investment From Decathlon Capital Partners

Freightera, an online marketplace for freight costs and service comparisons, has announced a major investment from Decathlon Capital Partners, per a Jan. 24 press release. An exact figure wasn’t disclosed but was described as being seven figures. The funds will enable Freightera to focus on growing sales, adding tools to the platform and expanding customer service.

Vancouver, British Columbia-based Freightera was founded in 2014 by Eric Beckwitt. Its online freight marketplace features hundreds of LTL and truckload carriers in the United States and Canada. Decathlon Capital Partners is a revenue-based funding investor in the United States and is active across a range of sectors

Linfox takes control of Aurizon

International logistics leader, Linfox, has fulfilled plans to enter the Queensland intermodal market and takes control of Aurizon Queensland Intermodal on 31 January when the transfer is completed.

The strategic investment commenced last October when Linfox purchased the business including freight forwarding, pick-up and delivery assets and rail wagons. Linfox will inherit up to 190 Aurizon intermodal employees. Another 120 are expected to be shifted to Aurizon’s bulk business.

With containerised product largely agricultural commodities transported by road transport to ports the acquisition is anticipated to have an impact across the region from North Queensland to the Darling Downs. Peter Fox, Linfox Executive Chairman said it would strengthen the company network and increase competition in

the Queensland logistics market.

“Customers told us that the potential closure of the Aurizon Queensland Intermodal business was going to disrupt their business and were looking to us for a solution,” he said. “We understand the strategic importance of this region. The investment of Linfox with its safe, secure and compliant supply chain solutions will provide stability and unlock significant value for our current and future customers,” said Fox.

“The deal also brings certainty to Aurizon staff and regional communities in Queensland. We’re glad that this transaction will bring benefit to so many people and we’ve got an ambitious agenda for the business. Now the work begins to ensure we realise the full potential of the business.”

According to Mark Mazurek, Linfox CEO, the acquisition transforms Linfox Intermodal into a national service provider and unlocks a number of opportunities by linking Linfox’s Eastern Seaboard and North Queensland services.

“The integrated road and rail services will provide customers with speed and efficiency in delivery goods to market. We’ll also be able to provide a direct relationship and sole accountability for end-to-end service,” he said according to a recent statement made on the Linfox website.

Investments in the Australian inland rail network is expected, according to Linfox, to have a flow on effect through to the transportation of grain, sugar, livestock, meat, minerals and concentrates as they shift through the supply chain to storage facilities and bulk handling ports for export along the Eastern seaboard.

“This is just one way that we’re looking

ahead to play a greater role in the success of Queensland, our customers and Australia more broadly,” said Ian Strachan, President Intermodal Linfox.

“We’ve waited a long time for this and we’re looking forward to showing what Linfox can do with such a strategic asset.”

Seko to pursue more acquisitions following first all-in purchase, executive says

Fresh from the first full acquisition in its 42-year history, third-party logistics provider Seko Logistics will stay on the acquisition hunt into the new year, its chief marketing executive said today.

Privately-held Seko, based in Itasca, Ill., said last Thursday that it acquired GoodShip International Inc., a Chicago-based shipping, customs brokerage and compliance firm, for an undisclosed sum. Seko has entered into partnerships in the past, and last September it acquired a majority stake in Omni-Channel Logistics, a long-time partner, to boost Seko’s e-commerce and information technology offerings. The Goodship acquisition takes Seko’s ambitions into uncharted territory, however.

Brian Bourke, Seko’s vice president, marketing, said the company is evaluating “tuck-in” acquisitions to fill out product and service gaps in its portfolio. Its strategy includes “engaging with small, independent (freight) forwarders that want to hear about the value of joining our network,” Bourke said.

Seko may still decide to partner up with companies instead of offering to buy them, Bourke said. “The first thing for other companies to realize is that we’re ready to listen - and (be) able to demonstrate what coming together

with Seko can do for them and their customers,” he said. The company will also explore what Bourke called “out-of-the-box” opportunities in the coming year. He didn’t elaborate.

Over the past 13 months, Seko has pushed to transform itself from a solid yet somewhat stodgy freight forwarder into a 3PL with its fingers in various pies, most notably cross-border e-commerce, an area that is growing at a faster clip than overall e-commerce. It is also an area that many 3PLs that have not been aggressively pursuing.

In December 2017, it rolled out nationwide line-haul service for online orders of heavyweight and outsized goods using the lower decks of passenger aircraft, and at prices for its economy product that were competitive with less-than-truckload services. Seko picks up the products by truck from the customer’s warehouse or from one of its own and delivers them to the origin airport. It then collects the goods at the destination airport and trucks them to their final destinations.

Last March, Seko expanded into Mexico by opening offices in Laredo/Nuevo Laredo, McAllen/Reynosa, Mexico City, Monterrey, Toluca and Queretaro. In August, it announced a partnership with Hermes Germany, a large player in the European parcel and so-called “2-man-handling” market.

Founded in 1995, GoodShip focuses on the eastbound trans-Pacific trade, emphasis on the Trans-Pacific Eastbound cargo movements. The transaction will fortify Seko’s international capabilities at its main Chicago gateway, it said. The company plans to disclose U.S. Midwest expansion plans in the second quarter.



M&A INSIDER

Merger & Acquisition Deals & Transactions

BUSINESS FOR SALE

Niche Specialised Land Logistics Business

- High exposure to growth chemical sectors
- UAE/GCC Based

Producing above average EDITDA returns, this highly specialised niche business provides regional transport and logistics solutions to blue chip customers. Strong focus on safety and compliance the business has a 38 years' profitable track record. Excellent growth prospects with new customer contracts locked in and implementation for 2019. Large company owned fleet including of an excellent age and strong reputation for services.

Australian based 3PL Warehousing & Logistics Company

- State of the art warehouse; Asset Light Model
- Circa USD\$3,800,000

Strong prospect 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.

SOLD

Logistics Joint Venture Opportunity - Oman

- 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.

Highly profitable Project Management services firm

- United Arab Emirates
- 35%+ EBIT Margin

Well established, well regarded 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.

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.

Medium size freight forwarding and warehouse businesses in Saudi Arabia

- *Logistics/Freight Forwarding/Warehousing*
- *Target deal size: USD\$20m-40m (6-8xEBIT)*

Acquisition sought for a medium to large size forwarding and logistics warehousing businesses in KSA. Preference for those with brokerage operations and multiple offices/branches and holding appropriate licenses. EBITDA target - USD\$2-5m annual with target completion time - mid to end Q1 / 2019.

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.

3PL Logistics Warehousing Business

- *Logistics Asset Based Business*
- *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 with a focus on growth. Seeking deal sizes up to USD\$100m.

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

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Integrated approach. Accelerated value. Synergy realisation.

Logistics Executive Group Mergers and Acquisitions Group combines deep market and industry expertise to create and execute robust M&A, alliances, integration and divestment strategies while mitigating risk.

Across 14 global offices, Logistics Executive Group provide a suite of mergers, acquisitions and merger integration services that can help companies capitalise on today's opportunities and position themselves for high performance.

Contact one of our experienced principals for more information.



European E-Commerce in Peril

When passed, the EU Goods Package, as the legislation is called, will have as far if not further ramifications to e-commerce than the move by some countries to reduce or eliminate de minimis thresholds. The traders that will be the most severely affected will be SME's who sell online into the EU. Aside from added administration and compliance requirements it is projected that compliance will cost as much as Euro2,500 annually. In some cases, this could be the annual margins of SME's who sell online.

There is a little known compliance

and enforcement legislation working its way through the EU system called the EU Goods Package. When passed, it will significantly limit the number of available goods in the EU goods market from suppliers outside the EU. The premise behind this legislation is admirable and relevant as it seeks to strengthen controls by national authorities and customs officers to prevent unsafe products from being sold to European consumers. What the legislation also does is increase already steep compliance costs for third country manufacturers selling goods into the EU.

SME's selling on their own website or e-commerce platforms may not be able to bear increasing compliance costs and will likely stop selling their goods in the EU. This will reduce products available to EU consumers, compliance costs will skyrocket and the internet and e-commerce in particular which was supposed to be the great enabler and provider of opportunities for SME's will be significantly hampered in fulfilling on it's promise.



What is the EU Goods Package?

The EU Goods Package is a program put forward by the European Commission containing two legislative proposals intended to strengthen the EU's single market for goods by reducing the number of non-compliant products sold to EU consumers and making it easier for companies to sell their products across Europe.

If approved, the EU Goods Package makes it necessary to have a "person responsible for compliance information established within the Union". The responsible person's task will be to hold product compliance documentation and cooperate with market surveillance authorities by answering their questions and take the necessary steps to remove non-compliant products from the market.

Rationale Behind the Compliance and Enforcement Legislation

The initiative if passed, will come into effect in January 1, 2020 and its main objective is to improve the functioning of the EU's Single Market by increasing compliance with EU product harmonization and, conversely, reducing the number of non-compliant products in the EU market.

Current control systems and enforcement tools are insufficient to track and deter the circulation of non-compliant goods and most of the problem, the EU claims, comes from non-compliant products from outside the EU - especially small consignments sold by manufacturers outside the EU through online platforms.

Granted, tracking and intercepting non-compliant products and countermeasures are a challenge today. The very short supply chain

between supplier and consumer and the high number of small parcels sold online make it extremely difficult for authorities to trace and intercept non-compliant products and market surveillance measures are extremely difficult to enforce if the manufacturer selling the products does not have an importer, distributor or authorized representative in the EU.

The EU, have also stated that third country manufacturers have a competitive advantage over EU based businesses by not incurring compliance costs to ensure their products meet EU harmonization legislation. This creates an "uneven playing field" where third country manufacturers selling non-compliant goods enjoy significant savings, and as a result distort competition.

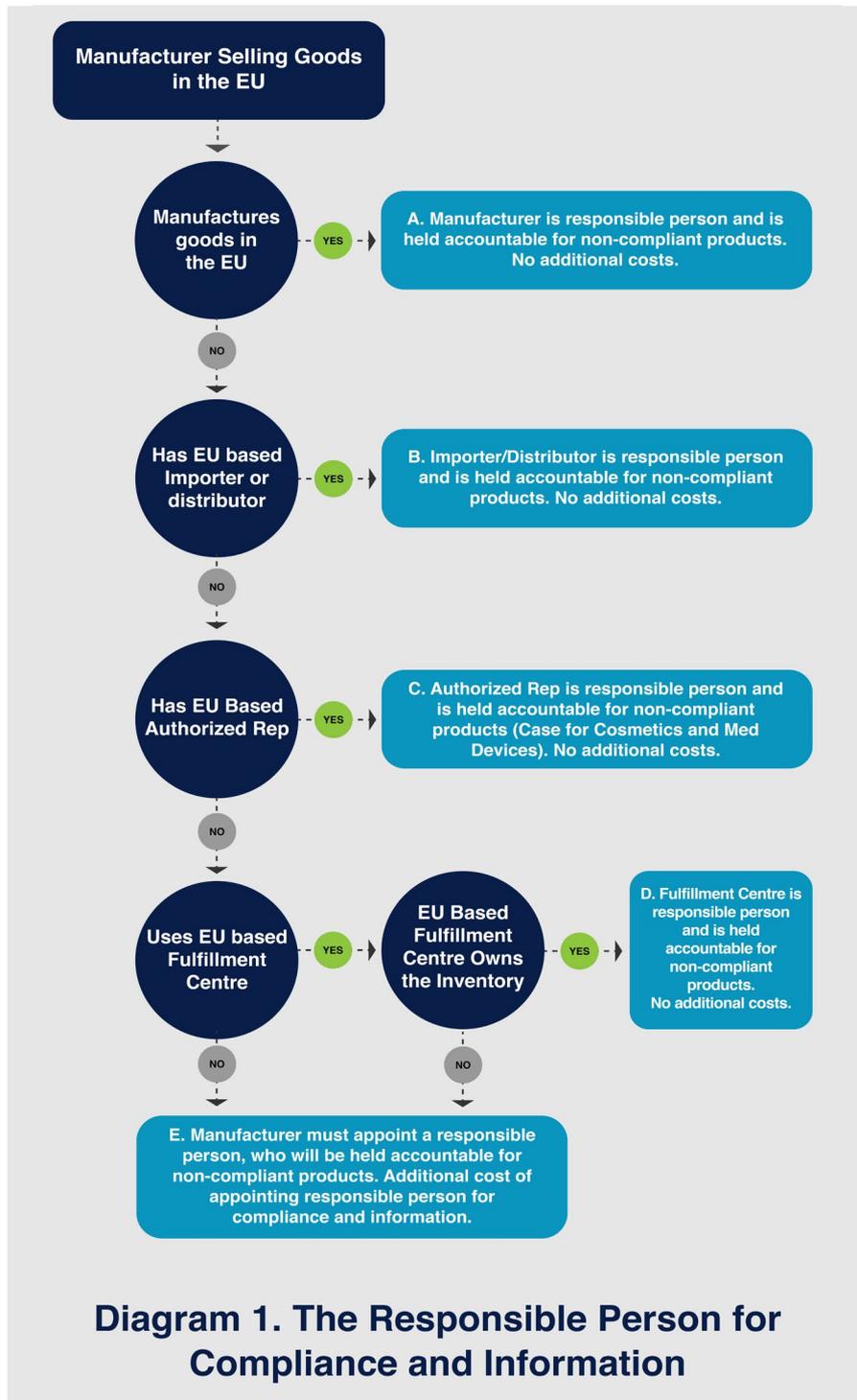
How is it going to affect businesses?

The EU Goods Package contains new requirements and incentives that will increase the operation costs of businesses selling certain products into the EU.

First, the legislation increases the non-compliance costs for businesses selling non-compliant goods in the EU by reinforcing the deterrent effect of enforcement decisions.

Aside from requiring businesses selling non-compliant products to bear the costs of non-compliance and pay the cost incurred by authorities for controls and corrective action there will be penalties imposed for non-compliance.

If approved, the EU Goods Package makes it necessary to have a "person responsible for compliance information established within the Union". The responsible person's task will be to hold product compliance documentation and cooperate with market surveillance authorities by answering their questions and take the necessary steps to remove non-compliant products from the market.



The kicker though is the need to appoint a person responsible for compliance information.

Diagram 1 shows how this requirement affects different types of manufacturers selling products in the EU.

Under scenario A, when a manufacturer

is based in the EU, the manufacturer does not need to appoint a person responsible for compliance.

Under scenarios B and C, when there is an importer, distributor or an authorized representative, the manufacturer does not have to appoint a person responsible for compliance information. Under

these scenarios also fall products like medical devices and cosmetics, where union harmonization legislation already requires businesses appoint EU based authorized representatives.

Under scenario D, when a manufacturer does not have an importer or distributor or has not appointed an authorized representative and uses a EU based fulfillment center that has purchased the products, the manufacturer does not have to appoint a person responsible for compliance and information.

Under scenario E, when a manufacturer (i) uses a EU based fulfillment center that has not purchased the products or (ii) sells directly to EU consumers, the manufacturer would have to appoint a responsible person for compliance information. Moreover, the legislation does not clearly specify under which scenarios this type of fulfillment centers can be held liable for non-compliant products they offer or ship.

The EU's assessment estimates the cost of appointing a responsible person at between €360 and €1500 per year per business, the same assessment estimates that the costs of demonstrating compliance under the EU regulations at €1,807.41 per company per year on average.

What does this mean to us?

The EU Goods Package increases already steep compliance costs for SME's selling online, especially those who have not designed their products for the EU market. This will therefore significantly reduce the number of products sold into the EU, especially products sold by SME's outside the EU as it quite unlikely that most Asia based manufacturers selling lower risk products like toys,

textiles, footwear through website or e-commerce platforms, design and manufacture those products to comply with EU regulations, standards and requirements.

This legislation is also likely to affect the operation costs and the volume of products sold by EU based fulfillment centers. Fulfillment centers that purchase and distribute small consignment from third country manufacturers will face higher compliance costs. Under the legislation, they do not only need to ensure that all products meet EU harmonization legislation, but will be liable for any instances of non-compliance. As a result, they will likely stop selling any products that are not guaranteed to meet all EU harmonization standards. On the other hand, fulfillment centers that do not purchase their inventory—this category includes most online marketplaces—will likely see a significant drop in the number of third country goods that can be sold in the EU.

Compliance costs, could be reduced if the EU capitalizes on emerging commercial opportunities. For example, under the right incentives,

large logistics service providers or the marketplaces themselves could offer compliance and responsible person services to third country manufacturers at a lower cost.

The EU has the capacity to build an incentive environment that encourages the growth of this type of services. For instance, the implementation of a policy like the U.S. Know Your Customer (KYC) scheme, under which a 3PL can declare on the manufacturer's behalf, would allow 3PLs to offer compliance services to their customers. However, it should be noted that schemes like KYC would mainly benefit manufacturers selling goods that already meet most of the EU's safety and environmental standards and requirements.

Alarming Behaviour

What is alarming to see and what prompted this article and other efforts to raise awareness of the EU Goods Package is that in a straw poll we conducted in December, almost no one had even heard of this impending legislation. When business leaders of the 3 largest courier companies globally were asked what they were doing to prepare for this and assist

their customers, one had not even heard of this initiative and one responded rather flippantly that they would simply pass the costs on to their customers and would only look at it more seriously "when the time comes".

Well, the time has now come. It looks like the legislation will be passed in a matter of days or would have already been passed by the time you read this article. Implementation will soon follow and organisations and companies need to engage with regulators in the EU to ensure what eventuates causes the least amount of disruption and allows SME's especially, to continue selling into the EU. We should also take it upon ourselves to help promulgate awareness of this far reaching legislation to help ensure minimal disruption to supply chains regionally 'when the time comes'.

What is alarming to see and what prompted this article and other efforts to raise awareness of the EU Goods Package is that in a straw poll we conducted in December, almost no one had even heard of this impending legislation.



Dr Raymon Krishnan
Secretary - General
**Asia Business Trade Association
(ABTA)**

Dr. Raymon Krishnan, is President of the Logistics & Supply Chain Management Society and Secretary-General of the Asia Business Trade Association.

He is the region's thought leader in Logistics, combining in-depth capability in designing and managing some of the most dynamic supply chains globally over the past three decades with a strong commercial slant, promulgating the dissemination and adoption of leading edge and practical solutions to improve Supply Chain performance.

How Freight Brokers Can Use Technology to Automate Processes



The advancements in the digital world are helping many in the industry move their businesses forward.

Technology is a key component of a growing number of business operations in today's economy, and the transportation and logistics landscape is no exception to this change. The advancements in the digital world are helping many in the industry move their businesses forward. Freight brokers are leaning heavily on digital tools to create more efficiencies and solve the complex issues that surround owning and running a successful company. Regardless of the time a freight broker has spent in the transportation game or the size of their operation, there are several ways freight brokers can utilize technology to automate processes each day.

Improving Visibility

One of the methods to automate business processes is through location technology specifically for freight. Using everything from cell tower signals to GPS from mobile phones, freight brokers can reduce the manual check-ins on drivers. Instead, the status of a load can be easily tracked and monitored, allowing for automation and therefore, more efficiency along the way. Some technology solutions in this space also provide real-time weather and traffic updates, helping keep track of loads and potential issues for shippers ahead of time.

Real-time Pricing

Staying up to date with spot market freight movements is a time-consuming task for many freight brokers, but technology is available to help automate the process. Brokers can be more prepared to work with shippers and carriers by using digital platforms to predict rates and offer real-time pricing in advance of a load. Many of these technology tools lean on data gathered from several different sources, including public and private databases, to give brokers an opportunity to offer immediate booking with accurate pricing.

Freight Matching

Predictive technology is also being used to deliver seamless freight matching, helping brokers automate the process of fulfilling customer needs. These digital tools use historical data and real-time location details to provide accurate capacity availability automatically. Not only does this take away some of the manual work that traditionally goes into freight matching, but it also allows brokers to look further in the future for the capacity they need.

Seamless Payments

The transportation industry as a whole has been slow to adopt new technologies when it comes to the

financial side of operations. However, in recent years, the ability to create automation in both receiving and remitting payments has come full circle. Mobile connectivity options among freight brokers and carriers, typically used for load tracking, is now being used to fuel digital payments. From invoicing customers through a peer-to-peer payment system to paying for the cost of a freight broker bond online, technology is allowing brokers to keep things moving from a finance perspective.

Remaining Compliant

Finally, automation through technology is reaching the realm of compliance in the transportation and logistics industry. This shift has come in several different forms, including new opportunities for digital freight broker training, real-time alerts regarding compliance shifts or industry trends, and beefed up privacy practices among mobile apps and software providers. Each of these enhancements to the freight broker technology stack allows professionals in the business to focus more of their time and energy on building relationships and growing their brokerage business.



Eric Weisbrot
Chief Marketing Officer
JW Surety Bonds

Eric Weisbrot is the Chief Marketing Officer of JW Surety Bonds. With years of experience in the surety industry under several different roles within the company, he is also a contributing author to the surety bond blog.

An Overview of the Employee Career Dynamics in the Digital Age

*Is Your Career Trajectory Aligned
with Your Professional Aspirations?*



Professional careers have always had a tinge of uncertainty. However, the Digital Age has amplified it significantly. Efficiency is no longer the mainstay of 'human' excellence as advanced automation and seamless autonomous functioning have steadily taken out the 'committing of errors' from the corporate equation. Consequently, 'excellence' is being 'commoditized' with respect to job performance.

The notion of being 'relevant' in the Digital world is gaining more traction. More and more of the repetitive/physically demanding/minimally diverse jobs/roles/functions are being relegated to 'smart' machines. While cerebrally-intensive skills, e.g., innovative thinking, astute strategizing, creative application, cohesive peer-to-peer engagement, etc., are being heralded as the 'last bastion of 'human relevance' in the workplace. Most of the respective impact is being felt by the mid-career professionals who are haunted by

the notion of '45 is the new 65' as they brace for the groundbreaking technologies nullifying the need for large workforces.

The list of professions that used to be the exclusive domain of human dexterity is dwindling. The 'fantasized fiction' of humans working with AI-enabled entities as 'team members' is rapidly becoming an inevitable 'ground reality'. This is forcing a proactive rethink of HR policies/processes/procedures to accommodate the 'new norm. before it pervades the corporate landscape and the organizational leadership at 'seemingly innovative' corporate establishments is caught gasping for robust solutions to manage unforeseen and/or unrealized situations.

Furthermore, as AI-enabled entities gain ascendancy in the workplace, the nature of corporate life is increasingly evolving from 'inherently business' to fleetingly humanistic'. Therefore, it becomes incumbent on progressive

organizations to muster the courage and honesty to 'timely' redefine/adjust the career paths and communicate the 'actual' progression prospects to their workforce in advance, especially, for professionals who face the stark reality of 'redundancy' due to the irrelevance/marginalization of their depreciating skill sets in the foreseeable future. The following chart is being presented to enable progressive organizations to gauge the employee career dynamics in the Digital Age and take timely and effective measures to assure and ensure that the desired talent within their ranks is managed astutely by maximizing the merits of a positive employee experience (see image 1)

The aforementioned chart provides an insightful overview of how motivational levels play a significant part during the tenure of a professional in a particular role/function/position with respect to career relevancy and attrition propensity considerations. It is divided into two main regions, i.e., the Self-Belief Region and the Self-Doubt Region

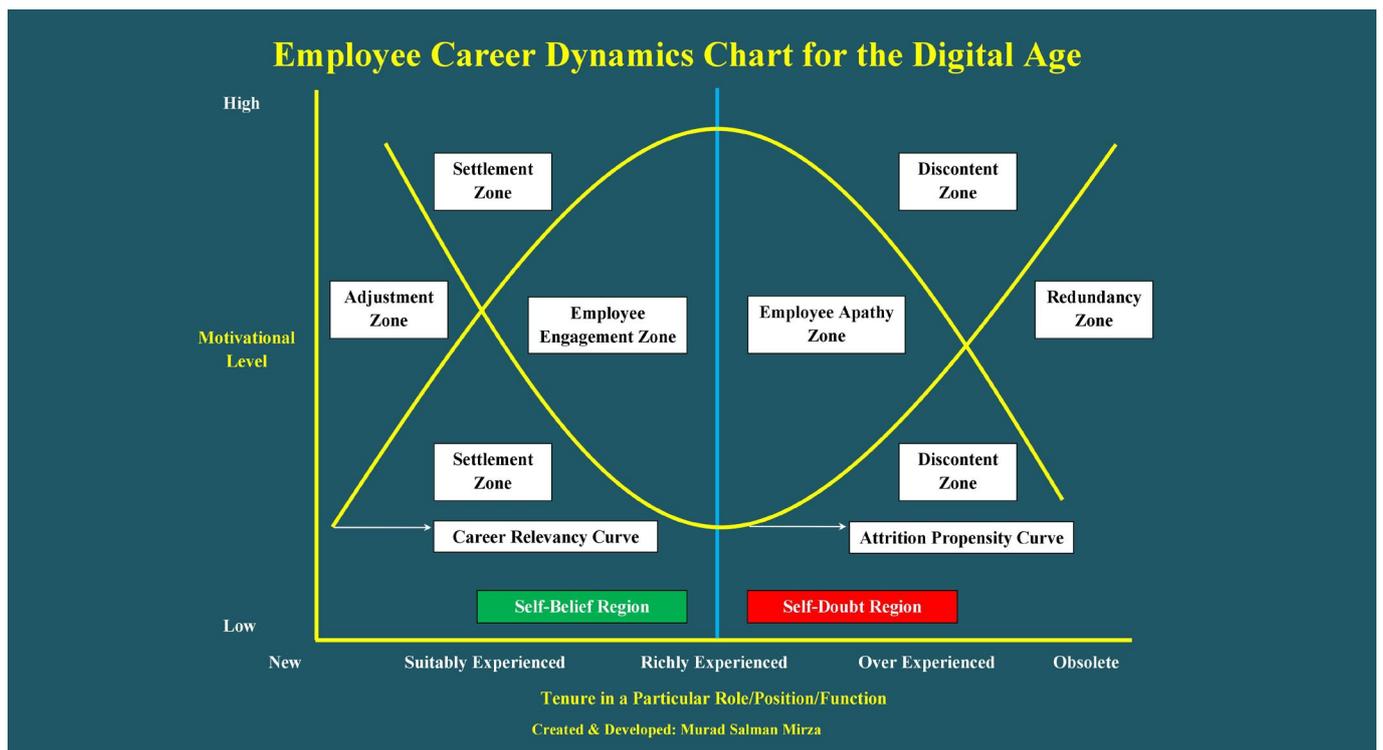


Image 1

Doubt Region. The Self-Belief Region reflects the optimistic proclivity of a professional who is intrinsically motivated and perpetually driven to excel at his/her role/position/function as he/she prevails/succeeds in overcoming the associated challenges with infectious zeal. He/she is also the type of professional that the organizations like to project as their 'brand ambassador', especially, to entice the new crop of desired talent. The Self-Doubt Region reflects the pessimistic inclination of a professional who feels betrayed in terms of the 'broken' psychological contract, e.g., marginalized/overlooked for career advancement opportunities, victimized by organizational politics, ignored for high-profile assignments, etc., and is nagged by the urge to seek better career prospects with another 'reliable' organization while dreading the increasing probability of becoming 'obsolete' and being 'pushed out' as a 'misfit' by the current employer.

The two main regions are further divided into six zones, i.e.:

ADJUSTMENT ZONE

This refers to the area where the professional is in the process of getting oriented to the new role/position/function. He/she is generally motivated and excited to embrace the relevant responsibilities and keenly observes how to initiate/develop productive relationships with his/her peers and supervisor(s). At the same time, he/she is also very sensitive to performance criticism and disparaging remarks/behavior from peers/supervisor(s) that can lead to his/her questioning the decision to serve in the respective role/position/function and may result in an early exit.

Therefore, it is critical for the team, especially, the supervisor(s) to ensure that he/she is on-boarded effectively

and given the confidence of being a valued team member in conjunction with the HR/Talent Management Function.

SETTLEMENT ZONE

This refers to the area where the professional starts to own the role/position/function after having a successful on-boarding experience and takes solid steps for establishing his/her own reputation as a worthwhile investment in the respective capacity. It also reflects the comfort level that seeps into the professional's mindset as he/she sheds off any concern about being a 'failure' at performing his/her assigned tasks/responsibilities and gains appreciable amounts of intrinsic motivation to create a solid foundation for excellence.

This also creates a buffer against any negative thoughts/experiences that may entice the respective professional to leave due to any expected impediments, e.g., organizational politics, peer jealousy, long work hours, etc.

ENGAGEMENT ZONE

This refers to the area where the professional has attained an appreciable level of proficiency in his/her assigned role/position/function and is galvanized by an empowering corporate culture to go beyond the 'call of duty' to facilitate/assist/help anyone in his/her sphere of engagement, e.g., customers, clients, peers, supervisor(s), mentees, etc. Such professionals are the 'true' assets for the corporate entities and are often profiled/praised/heralded as worthy ambassadors in terms of being the embodiment of core values espoused by the organization. They are the hardest to poach by ravenous competitors and often consider extravagant recognition and associated financial rewards

secondary to the attainment of personal gratification achieved from 'selfless' application of inherent talent nurtured by the 'raw' and 'honest' gratitude of recipients.

APATHY ZONE

This refers to the area where the professional realizes that his/her outstanding performance is not yielding career development and growth opportunities while his/her peers with considerably less capability are able to surge ahead with promising and high-visibility assignments due to favoritism/nepotism/other non-performance factors. Such a perception of blatant impropriety places the respective professional in a self-reflective mode where he/she assesses the fruitlessness of the value of his/her profound contributions/considerable achievements and steadily gains an indifferent attitude that often manifests in low morale, loss of drive, 'going by the book' work preference, mood fluctuations, etc.

Consequently, the high motivation to do 'great professional work' at the present organization converts into the high motivation for finding 'great career opportunity' at another organization before the 'margin of appropriateness/relevance/usefulness', e.g., due to over experience, runs out in the chosen field.

DISCONTENT ZONE

This refers to the area where the professional feels that he/she has no/minimal hope of advancing up the career ladder since most of his peers have either left or advanced to higher levels of the organizational hierarchy fairly/unfairly. Additionally, he/she may also start to get informal signals from his/her supervisor(s) and/or the HR/Talent Management Function about the slim prospects of his prolonged stay in the organization.

the vibrancy of a productive employment relationship is normally defined by a delicate balance of conflicting interests that is predicated on the robustness of shared values and the formal/informal 'comforting signals' received and registered on each side

Consequently, the motivation to leave the organization where he/she is not 'valued' increases substantially while often harboring a sense of 'betrayal' due to the 'apparent' lack of respect for serving a long time with the organization. This simmering bitterness coupled with the pulsating anxiety associated with finding suitable new employment converts such professionals into active billboards of organizational disharmony/malfunction while jeopardizing Employer Branding initiatives.

REDUNDANCY ZONE

This refers to the area where the professional has lost the interest and drive to contribute in any value-added way to the organization and is considered a burden, rather than, a worthwhile investment for the organization. Keeping him/her within the corporate ranks endangers the sanctity of a vibrant and cohesive corporate culture

that binds the organizational fabric robustly. Consequently, the HR/Talent Management Function is often deputed by the Top/Senior Management to ensure the release of such professionals with minimal disturbance to organizational functioning, unless, they can leave on their own accord, e.g., upon finding suitable employment elsewhere. This is the least favorable option for progressive organizations that pride themselves on maintaining close contacts with their former employees, especially, in terms of leveraging their 'employee experience' to reinforce Employer Branding initiatives.

SOME THOUGHT GEMS FOR TAKEAWAY

Organizations are generally coded to value the performance of employees more than the employees themselves. Employees are generally inclined to value their career preservation more than the wider organizational imperatives. Consequently, while the

corporate emphasis is on maximizing desired gains from employees as long as their marginal utility is deemed favorable; the priority of employees is to extract maximum individual concessions to justify continued allegiance to the organization.

Thus, the vibrancy of a productive employment relationship is normally defined by a delicate balance of conflicting interests that is predicated on the robustness of shared values and the formal/informal 'comforting signals' received and registered on each side.

The aforementioned 'Employee Career Dynamics Chart for the Digital Age' serves as a common language for a healthy dialogue and as a catalyst for subsequent effective measures to reinforce the wavering employment bonds that can reliably withstand the tumultuousness of change in an era of ubiquitous AI...



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.

EVENTS

March

10TH GPCA PLASTICON

March 11th - 12th 2019
ART Rotana, Amwaj Islands,
Bahrain
www.gpcaplastics.com

April

11TH SUPPLY CHAIN CONFERENCE

April 8th - 10th 2019
InterContinental Dubai –
Festival City, Dubai, UAE
www.gpcasupplychain.com

WOMEN IN PROCUREMENT & SUPPLY CHAIN 2019

April 30th - May 2nd 2019
Pullman Sydney Hyde Park
www.questevents.com.au/women-procurement-supply-chain-2019

WAREHOUSE SUMMIT MENA

April 29th - 30th 2019
Corad Hotel, Sheikh Zayed
Road, Dubai
www.warehousemena.com

May

LogiSYM SINGAPORE 2019

May 14th - 15th 2019
NUSS Kentridge Guild House,
Singapore
www.logisym.org/Singapore2019

July

LogiSYM MALAYSIA 2019

July 23rd - 24th 2019
Hilton Petaling Jaya,
Kuala Lumpur, Malaysia
www.logisym.org



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About US

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