

APRIL 2018

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LogiSYM

The Magazine for Supply Chain Executives

The Meal-Kit Industry Faces Last-Mile Challenges



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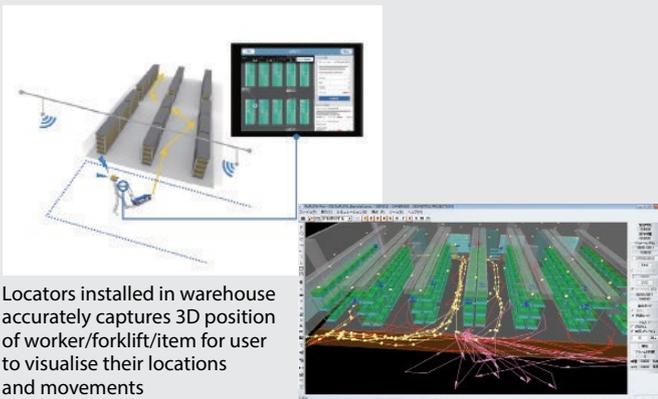


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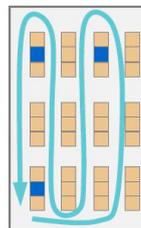
Locators installed in warehouse accurately captures 3D position of worker/forklift/item for user to visualise their locations and movements

Picking Route Optimisation and Navigation

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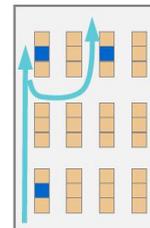
Handy Terminal

Longer route taken as worker always start to pick items from A to Z



Visual Warehouse

Shortest route taken regardless of worker's current location



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from the editor

.....what are the continuing supply chain challenges facing shippers and service providers?

Dear Readers,

There is a lot of buzz in the various supply chain communities. Logistics Professionals are in continuous dialogue of what they are doing or planning to do. The constant referral to new technologies and their deployment in various applications is also very exciting to see!

I am however curious to understand how these various technologies have impacted the basics of management supply chain and the key processes drivers. The fundamentals of a supply chain have not changed. But the variables in the chains & the constant evolution of demand, presents the major challenges!

Shippers are only able to control certain parts of their supply chains. They struggle to achieve constant stable and effective deliverables. Service providers see the opportunities to fill these gaps in the chain, but they too can only master processes in their control.

Analysing both Shippers and Service Providers situations, we see a common thread that runs through the industry. The common denominator is people. Whilst the new technologies are by far contributing to major enablers in the execution processes, we also see that they are compensating for deficiencies in other parts of the chain.

If general feedback to supply chain competencies is accurate, that people are still the constraints to achieve higher performance, then we should take note. Technologies on their own will not solve all the problems. Artificial Intelligence whilst appealing and suited to many conditions, is not the total response to underperformance by people. But could it be the new order that is evolving in the industry and what about the people factor!

This is an alarming thought – but could be a realistic one! We are all excited about deploying new technologies across our supply chains. But this has to go hand-in-hand with investing and developing the human element. The speed of change and development of the supply chain industry is quite impressive. The capabilities in place at Shippers to meet the new challenges in their chains are not enough.

What are the possible reasons for this - Are there misalignments between the business leaders and the supply chain specialists? Is the supply chain expertise developing faster than the business community they are serving? Or is it that supply chain is seen as an area so complex that it is not given its due resources?

It's time to review, assess and action supply chain capabilities for higher performance embracing the changes towards the future! Organisations are advised to do an internal self-assessment and benchmarking with others best-in-class supply chain performance – the results will be astonishing!

In this edition, there are articles on people, leadership, collaboration and technology. I hope that at LogiSYM Singapore 2018 on May 15th and 16th many of these issues will be addressed; but deploying the solutions effectively will be the area to watch!

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

Riding the Wave

We are, as always, being constantly bombarded with news and developments in our industry and it is not always easy to keep abreast of what is going on, let alone ascertain hype from reality. This is a constant challenge and one which we at the Society and LogiSYM take quite seriously. We do not want to promulgate anything just because it is popular “fact” or just because it is all the rage at the moment.

We were told a few weeks ago by someone to just ‘ride the wave’ and not to keep calling out or questioning the onslaught of robber barons in hoodies and jeans who are supposedly creating the new norm through digitalisation and e-commerce. We would indeed like to do so but through the creation of unnatural monopolies through below cost, fulfillment build-out coupled with predatory pricing no other firm without the access to such capital can match, this new normal is a creating a false sense of how fundamentally sound and effective Supply Chains should work.

One of the by-products of this thinking is that in the last few years we are seeing fewer and fewer strategic Supply Chain roles but rather more technical or tactical roles. Is Supply Chain being relegated to just a technical function in organisations? There is nothing wrong with pushing or even changing the paradigm but this needs to be grounded in reality.

Could what I am saying be wrong or is there some truth in it? These are just some of the things we discuss in the following pages and also at LogiSYM in Singapore in May. I look forward to welcoming you and having a lively discussion and debate on these topics as we always do.

Raymon Krishnan

President

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Susan Bell

Global Vice President and
General Manager of Temperature Assurance
Sealed Air

Susan Bell is responsible for leading the global temperature assurance business at protective packaging company Sealed Air. She is charged with creating the temperature assurance strategy, driving operational excellence to meet customer needs, catalyzing and executing mergers and acquisitions, and developing new business to ensure temperature assurance drives value in the global supply chain. Susan brings to Sealed Air more than 20 years of global marketing and sales experience in strategy, business development, and global account leadership across consumer and industrial markets.



Stephanie Krishnan

Advisory Board Member
**The Logistics & Supply Chain
Management Society**

Stephanie is an accomplished businesswoman, entrepreneur, and corporate innovator whose career path is not constrained by traditional bounds, and allows her to bring a diverse range of experience to bear on her roles and clients. Her diverse professional background complements her years in academia and in the International Business space. Stephanie holds a Masters of International Business from the University of Wollongong where she is currently in the final stages of completing her PhD in Supply Chain & Cross Cultural International Business.



Vivien Cheong

Regional Sales Manager
**TICONTRACT,
Transporeon Group**

Vivien Cheong has close to 10 years of experience in the logistics and supply chain industry across various Asia Pacific geographical regions, working for various logistics service providers such as APL, Toll Group, Tiong Nam Logistics in the contract logistics and ocean freight space. She leverages her knowledge in all aspects of freight and logistics, including commercials, operational, business development, procurement strategy across multiple industry verticals married with technology to drive meaningful change in the companies that she works with. Her past roles have included key account sales, tender management and business analysis.



Joe Lombardo

Founder
ESP Consult

Founder of ESP Consult, Joe Lombardo has advised CEOs on change management through a supply chain focus. The need-for-change is a likely and necessary step for business development and sustainability. However starting a journey of transformation within an organisation can be hugely daunting. This introduction to a transformational journey, illustrates that it is not as complicate or as expensive as it may seem. But the rewards and benefits will be significant. ESP Consult advises on structuring the model to facilitate and successfully implement on Adaptive Supply Chain driven organisation. For those involved it has been an enlightening and motivating experience.

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For Space Providers

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2. Fill In Space Specifications

3. Get Listed!

Airbus to Boost A320 New Production

Strong demand for Airbus' A320neo has enabled the European planemaker to agree on higher target production rates for its narrow-body aircraft with suppliers, anonymous executives involved with the discussion indicated to Bloomberg.

Airbus SE now aims to produce 63 single-aisle planes per month by Q2 next year, up from the previous target of 60. The company has previously said it could lift rates to as high as 70 a

month, based on market demand, and was in talks with its suppliers.

Airbus has faced pushback on A320 rates, predominantly from engine makers CFM International and Pratt & Whitney who have both hinted that capacity is likely too burdened to meet the increased goal. Turbine producers have also battled to meet current deadlines, with Pratt's most recent engine-seal hiccup stalling deliveries until later this month. Pratt is owned

by United Technologies Corp. while CFM is a venture of General Electric Co. and France's Safran SA.

Meanwhile, airlines continue to inquire about future purchases, revealed Airbus Head of Sales Eric Schulz after securing an order for 35 A320neo aircraft from Stockholm-based SAS AB. The SAS deal, excluding an additional 15 planes the carrier will lease, is valued at \$3.9 billion before discounts.

Emirates SkyCargo Launches New Product for Aircraft Parts



Photo: Courtesy of Emirates.com
Emirates SkyCargo has designed a striking 'Must Go' bag to alert staff to the urgent nature of shipments

Emirates SkyCargo, the world's largest international cargo airline, has launched Emirates AOG – a new airfreight product designed for transporting aircraft parts quickly across the globe. Emirates AOG is the latest offering in its vast portfolio

of products and services catering to the global aviation industry. It is built to respond to the needs of airlines wanting to service grounded aircraft by rapidly despatching critical aircraft components unavailable at destination.

The core aim of Emirates AOG is to transport parts on the quickest possible flight connection without compromising on the quality of handling and customer service.

Special features of the new product include a late cut-off time for cargo acceptance at origin – up to four hours prior to scheduled time of departure for shipments weighing less than 100 kilograms; expedited delivery at destination – maximum of 2.5 hours from actual arrival time of the aircraft; track and trace visibility of the consignment during transportation and priority handling. Emirates

SkyCargo has also created a unique 'Must Go' bag for bulk loading of small AOG shipments.

Designed in a striking red colour, the bag alerts Emirates SkyCargo staff to the urgent nature of shipment ensuring dedicated priority handling for the aircraft part in transit, especially during airside operations.

Emirates SkyCargo, the freight division of Emirates, offers customers cargo capacity on its modern, all wide-body fleet of over 260 aircraft including 14 freighters - 13 Boeing 777-Fs and one B747-400ERF.

The air cargo carrier has developed a number of transportation solutions targeted at specific industry verticals. These include Emirates Pharma- for the secure transportation of temperature sensitive pharmaceuticals; Emirates Fresh- for transporting fresh produce such as fruits, vegetables, sea food and meat; and Emirates Wheels for moving luxury and premium automobiles.



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COLLABORATION FOR GROWTH: A CULTURAL TRANSFORMATION

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The 10th GPCA Supply Chain Conference will take place in Dubai on 8 -10 May, 2018 under the theme 'Collaboration for growth: A cultural transformation'. The conference will address topics of organizational health and culture, and focus on collaboration as a key driver of growth and a cornerstone of supply chain transformation. Recent studies suggest that more than 80% of organizations globally agree that increasing collaboration with internal and external stakeholders can drive bottom line results and reduce costs of supply chain functions. This important regional petrochemical industry event will cover a wide range of topics cutting across global trends, technology disruptions, collaboration, business optimization, procurement, organizational culture and fascinating case studies from around the region and globally.

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DP Australia Extends Partnership with CMA CGM Group

DP World Australia has signed a long-term partnership extension with CMA CGM Group vessels at its terminals in Brisbane, Sydney, Melbourne and Fremantle.

This partnership extension brings two market leaders of the Australian port logistics sector closer together. CMA CGM Group's high-quality shipping services, which include ANL and APL, will leverage DP World Australia's container terminal and intermodal footprint.

DP World Australia's CEO and Managing Director, Paul Scurrah, said the partnership extension provides both organisations with a strong platform for future growth in the Australian market.

"We are delighted to be selected by the CMA CGM Group as its major stevedoring provider in Australia. In an exceedingly competitive market, locally and globally, securing the partnership with CMA CGM Group

“

In an exceedingly competitive market, locally and globally, securing the partnership with CMA CGM Group reinforces our position within our industry as a leading and responsive trade enabler.

Paul Scurrah
CEO and Managing Director
DP World Australia

reinforces our position within our industry as a leading and responsive trade enabler.”

ANL's incoming Managing Director, Xavier Eiglier, declared, "This contract extension is strategically important for the CMA CGM Group and ANL, its major operator in Australia, as it gives us certainty of access to quality

stevedoring operations around Australia.

"Shipping is a very competitive environment, our customers count on us for timely shipment and arrival of their goods, so we in turn rely heavily on the performance of our chosen stevedores. We look forward to working closely with DP World Australia to continuously improve performance so as to maintain the quality of our customers' supply chains."

DP World Australia is Australia's biggest port and supply chain operator providing high quality stevedoring and port supply chain services.

CMA CGM Group, comprising of CMA CGM, ANL, APL and ANL Sofrana, is the largest shipping group in Australia providing international and coastal shipping, container logistics and container hire and sales services.

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Total Volume at World's Busiest Ports Increases in 2017

According to the latest report by Alphaliner, an industry-leading research and data collection agency, combined throughput at the top 110 busiest global ports increased by 6.1% in 2017. This increase is attributed to the recovery of the global economy and resurgence in global trade last year.

The 110 ports combined handled a total of 600 million TEU in 2017, up from 565 million TEU in 2016. Of these, only 12 ports reported a decline in volumes last year, which the

remaining 98 all recorded increases in throughput volume, reported World Maritime News.

Rankings of the top 10 ports remain the same. However, wide variance was recorded in terms of growth levels experienced by individual ports, ranging between 1.6% and 14.1%.

Shanghai solidified its rank as the world's busiest port with a volume of 40.2 million TEU in 2017, up by 8.3% from 37.1 million TEU reported a year earlier. Singapore maintained second

place, trailing not too far behind with 33.6 million TEU, up by 8.9%. Shenzhen took the third place with 25.2 million TEU, rising by 5.1% from 2017

Of the ten busiest ports, the fourth-ranked Ningbo witnessed the largest increase in volumes, which surged by 14.1% to 24.6 million TEU, Alphaliner has reported. In fifth place, Hong Kong managed to reverse two consecutive years of losses in 2015 and 2016 with a 4.8% improvement in 2017.

Container Shipping Slow but Recovering Steadily: Drewry

Growth in global demand in the container shipping market will outpace fleet expansion in 2018 and 2019, maritime research consultancy Drewry stipulates in their latest report.

This will contribute to a better supply-demand balance in the market and will ease profits for carriers by delivering a slight boost to freight rates.

"The bad news for carriers is that they are unlikely to see the very strong demand growth rates of early 2017 for the foreseeable future. The good news is that while port handling growth may have peaked, they can still expect more than adequate volumes for at least the next two years," commented Simon Heaney, senior manager, container research at Drewry.

Deferrals in delivery and other subtle changes have allowed for smoother order management and handling of the new capacity burden spurred by rising demand.

The top-heavy delivery schedule for 2018 with the majority of ULCVs being delivered in the first quarter has depressed our supply-demand index, but the balance will improve as the year progresses," said Heaney.

"Unfortunately for carriers this won't come soon enough to erase the negative sentiment for annual contracts, hence why we only anticipate a small uplift in average freight rates for the year."

Heaney added that renewed new

build contracting activity is not yet at the level that risks worsening the supply-demand balance.

Drewry's forecasts were finalised before the escalation in trade hostility between the US and China. However, Heaney noted that the research "did build in some element of trade deflation based on past rhetoric and actions."

"A trade war is not yet inevitable, but given the lack of details, quantifying the risk to container shipping is very difficult. For example, much of the hi-tech goods considered liable to tariffs will be airfreighted rather than move on the water. In a worse-case scenario we believe as much as 1% of the world's loaded container traffic could be exposed, and were the situation to become real we would clearly have to revise our demand forecasts downwards."

GAC proves expertise at MENA Special Olympics

GAC, one of the regions' oldest and leading 3PLs, provided uninterrupted on-site logistics support to the Special Olympics Middle East and North Africa (MENA) 9th Regional Games held in Abu Dhabi this year.

GAC Abu Dhabi was appointed to help ensure smooth running behind the scenes at the high profile event with support including specialised packing and crating, inventory management, receipt/dispatch from suppliers and

stakeholders, local transportation and delivery, stock replenishment and coordination of dedicated on-site storage and warehousing operations.

The entire project, from the pre-event planning to the on-ground execution and post-event arrangements, spanned three weeks. GAC Abu Dhabi's Business Manager - Logistics, Richard Rees, says: "Our staff worked tirelessly, clocking more than 3,000-man hours over the three-week period, to ensure

that the event ran smoothly. We are no stranger to the demands of and delivering top-notch services to the fast-moving event logistics sector, so despite facing tight deadlines and lack of storage facilities, our team handled the challenges adeptly and efficiently." Youssef El Khouri, Logistics and Arrivals & Departures Manager, Operations, for the Special Olympics World Games, Abu Dhabi 2019, thanked GAC Abu Dhabi for the great support that the team has provided to the MENA Games. The company is also providing storage solutions for some of the cargo until the Special Olympics World Summer Games, hosted by Abu Dhabi, begin next year.

Singapore Logistics Start-Up Ninja Van Raises \$87 Million

Ninja Van, a pan Southeast Asia technology-enabled logistics platform, has successfully concluded its Series C funding round, raising at least US\$87 million, a record amount among start-ups in South Asia.

Spurred by its exponential growth over the past three years in the region, the company intends to use the capital raised to further consolidate its presence across its operating markets in Singapore, Malaysia, Indonesia, Thailand, Vietnam and the Philippines.

"With an established network in Southeast Asia covering six high growth markets, the capital raised will be invested towards further improving technology and operational capabilities to help Ninja Van continue our drive in offering hassle-free delivery solutions to businesses of

all sizes. We believe in providing a consistently superior and seamless experience for both our sellers and their customers across all our markets," says Lai Chang Wen, CEO of Ninja Van.

Since its Series B fundraise in 2016, Ninja Van has achieved strong growth driven by the booming Southeast Asia e-commerce sector and currently manages millions of deliveries per month across its markets.

Through a differentiated technology-enabled platform comprising user applications and complex algorithmic systems, the company delivers innovative and scalable logistics solutions to businesses of all sizes across its end-to-end express logistics network.

In addition to its fleet of vehicles and

Lai Chang Wen
CEO
Ninja Van

delivery personnel, the business also includes hundreds of drop-off points strategically located across the region to provide sellers and customers with the added convenience of dropping off and collecting their parcels.

To support its burgeoning business needs, Ninja Van has also increased its staff strength to over 1,000 professionals across its operating markets.

The company is currently working with established, blue-chip investors such as The Abraaj Group (a global growth markets private equity investor), ACE Capital (Taiwan-based venture capital firm focused on investing in Asia), B Capital Group (global venture capital

firm that invests in pioneering B2B and B2B2C companies primed to scale across the global stage), DPDgroup (one of the largest international parcel delivery networks in Europe), Monk's Hill Ventures (venture capital firm investing in early-stage tech start-ups) and YJ Capital (corporate venture capital that does all stages of investments).

With this vote of confidence from investors, the technology-enabled delivery company is well positioned to cement itself as the preferred parcel delivery network to serve both domestic and global businesses in Southeast Asia.

As one of Ninja Van's latest investors,

DPDgroup combines innovative technology and local knowledge to provide a flexible and user-friendly service for both shippers and shoppers.

With 60,000 delivery experts and a network of 28,000 local Pickup parcel shops, DPDgroup delivers 4 million parcels for more than 360,000 customers worldwide to over 230 countries each day through its commercial brands: DPD, Chronopost and SEUR.

Goldman Sachs (Singapore) Pte. and Allen & Overy acted as exclusive financial advisor and legal counsel to Ninja Van.



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RSA Global Expands Operations in India

UAE-based 3PL RSA Global has acquired a majority stake in Meesan Logistics, whereby both companies will develop their joint expansion plans in the Indian market. The strategic investment is aimed at enhancing the Group's presence in India across eight cities and offer them access to a wider range of logistics solutions, including contract logistics, freight, road transportation, and on-site logistics as well as global reach through its international network. In addition, RSA Global's clients also stand to gain greater access to key markets across India.

This marks RSA Global's first major step in global expansion by collaborating

with an established Indian third-party logistics company, with whom RSA Global will offer services across India. The collaboration will offer long-term growth for both companies' customers in the Indian market by combining local expertise and innovation from Meesan with a wealth of skilled labour, capital, rich experience in supply chain operations and first-rate technology offered by RSA Global.

The first steps of implementation will see an upgrade in technology and health, safety, security and quality (HSSEQ) standards. During the signing ceremony, Abhishek Ajay Shah, Co-founder and Group CEO of RSA Global noted, "India is a key location for RSA

Global, as it serves as a hub between Asia and the Middle East, and it plays a vital role in global logistics. Given that the regulatory framework in India is rapidly changing, supply chain infrastructure is undergoing a transformation, and we are proud that our technological innovation and skilled workforce can support this important evolution."

Gaurav Saluja, CEO, Meesan Logistics India said, "We are confident that our alliance with RSA Global will support the operations and growth of our customers through bespoke and scalable solutions that will serve the breadth of India, and beyond."

Imperial Logistics Expands African Footprint

Imperial Logistics, a leader in healthcare supply chain logistics, has recently unveiled a world-class expansion at its Centurion facility in South Africa and also acquired a 70% stake in Namibian sales, warehousing and distribution business CB Enterprises.

The expanded facility is equipped with more state-of-the-art pharmaceutical compliant storage space, and a new, faster picking methodology, offering clients access to life-saving medicine faster and more cost-effectively. It also included the construction of two cold storage warehouses, one newly built and the other a refurbishment of the existing cold storage facility. This has allowed Imperial Logistics to move its sister company Pharmed onsite creating a 2-tiered offering of distributor & wholesaler. "Our

business needed additional capacity following its diversification into the pharmaceutical wholesaling, medical devices and animal health markets. We now have room to grow, and to expand and enhance the unrivalled healthcare capabilities that we deliver," noted the company's Healthcare Strategy Executive Dr. Iain Barton.

The acquisition of CB Enterprises is in line with the organisation's strategy to grow its African CPG and pharmaceutical distribution interests and capabilities, stated Imperial Logistics Chief Strategy Officer Cobus Rossouw. In addition, it supports Imperial Logistics' aim to maintain its position as the country's leading provider of route to market solutions for multinational and local CPG manufacturers. "The additional volumes provided by Imperial Logistics

will enable CB Enterprises to offer more frequent deliveries to retail, making its service offering more relevant. The logistics overhead will be reduced by around 2%, which will increase net margins," said Rossouw, emphasizing that the deal will allow both parties to benefit from economies of scale as well as synergies in outbound and back office administration as well as support services.

Established in 1992, CB Enterprises is still owned by its original founder. The company started off as a small agency representing South African manufacturers. Today, it has an annual turnover of US\$17 million and a staff complement of 107 people. It owns premises in Windhoek as well as a fleet of trucks and delivery vehicles.

Global Blockchain in Supply Chain Market to Reach \$424mn by 2023

A recent report by IndustryARC anticipates the blockchain in supply chain market to increase in value to \$424.24 million by 2023 with a CAGR of 48.37% during the forecast period.

This trend is primarily driven by the rising popularity of blockchain technology for supply chain applications among businesses across the globe.

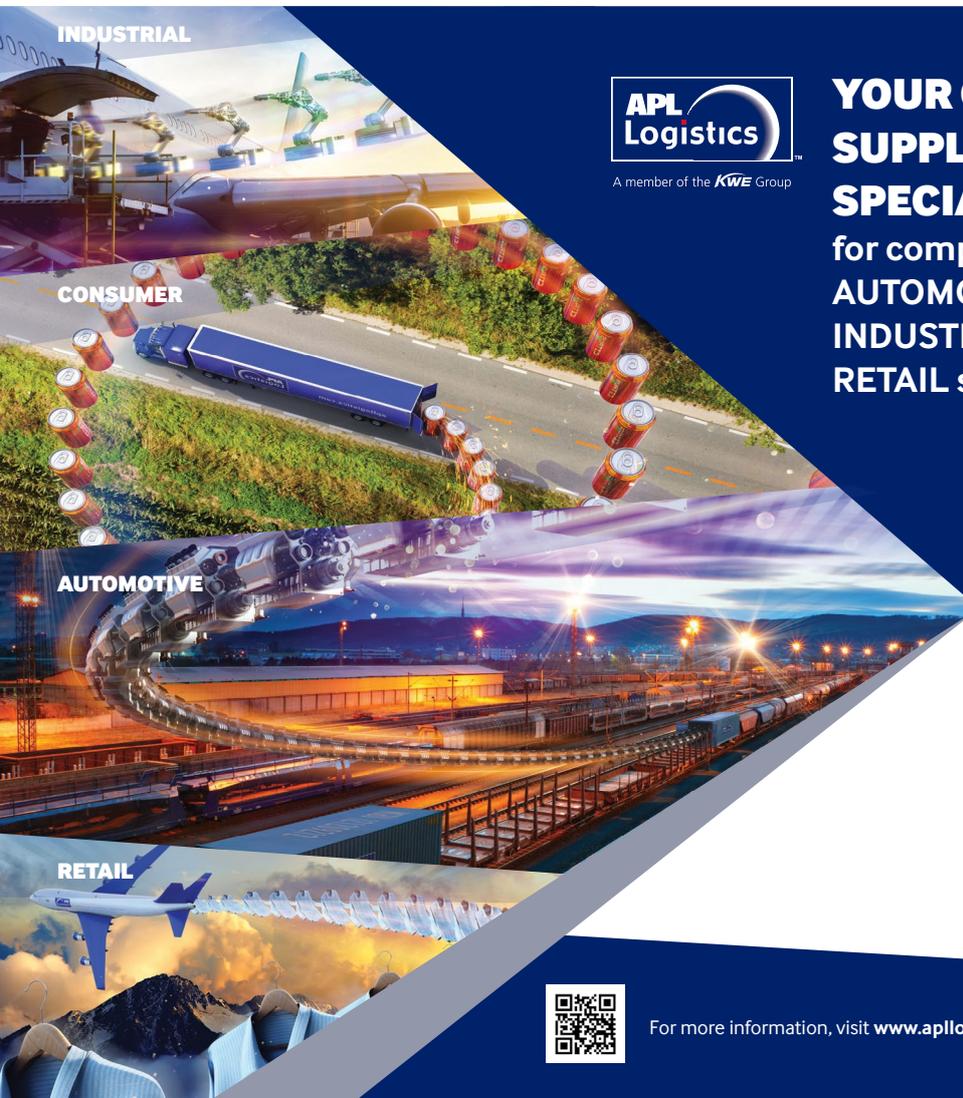
The whitepaper, titled 'BlockChain Market in Supply Chain: By Type, By Application, and Geograpjy – Forecast

(2018-2023)' predicts that North America will lead this growth with a forecasted revenue of \$131.65 million by 2023. It further expects that Asia Pacific will grow at the fastest rate, maintaining a CAGR of 56.1% through the next couple of years.

Other developing regions are also experiencing rising momentum for blockchain, with the governments of several developing economies introducing a number of government initiatives to encourage the technology's application for

transparent and efficient operation of the public economy. The programs are also a response to increasing demand for digitisation.

Feature of blockchain technology bolstering this appetite include the possibility of implementing smart contracts, the transparency of the technology and the increasing significance and use of data through the supply chain industry.



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McDonald's Sets Targets to Curb Greenhouse Gas Emissions

McDonald's has recently announced that it will partner with franchisees and suppliers to reduce greenhouse gas emissions related to McDonald's restaurants and offices by 36% by 2030 from a 2015 base year in a new strategy to address global climate change. Additionally, McDonald's has committed to a 31% reduction in emissions intensity (per metric ton of food and packaging) across its supply chain by 2030 from 2015 levels. This combined target has been approved by the Science Based Targets initiative (SBTi).

Through these actions, McDonald's expects to prevent 150 million metric tons of greenhouse gas emissions from being released into the atmosphere by 2030. This is the equivalent of taking 32 million passenger cars off the road for an entire year or planting 3.8 billion trees and growing them for 10 years. The target will enable McDonald's to grow as a business without growing its emissions.

In a video announcement, Steve Easterbrook, McDonald's President and CEO stated, "To meet this goal,

we will source our food responsibly, promote renewable energy and use it efficiently, and reduce waste and increase recycling."

McDonald's will work across its supply chain, offices and restaurants to be more innovative and efficient through improvements such as LED lighting, energy efficient kitchen equipment, sustainable packaging, restaurant recycling, and by elevating and supporting sustainable agriculture practices. In collaboration with thousands of franchisees, suppliers and producers, McDonald's will prioritize action on the largest segments of its carbon footprint: beef production, restaurant energy usage and sourcing, packaging and waste. These segments combined, account for approximately 64% of McDonald's global emissions.

Saudi Aramco To Build \$44 Billion Refinery in India

Saudi Aramco signed today a Memorandum of Understanding (MOU) with "Ratnagiri Refinery and Petrochemicals Ltd." (RRPCL), a consortium of Indian oil companies which includes The Indian Oil Corporation Ltd. (IOCI), Bharat Petroleum Corporation Ltd. (BPCL), and Hindustan Petroleum Corporation Ltd. (HPCL), to jointly develop and build an integrated mega refinery and petrochemicals complex at Ratnagiri, in the state of Maharashtra. Saudi Aramco may also seek to include a strategic partner to co-invest in the mega refinery.

The strategic partnership brings together crude supply, resources,

technologies, experience, and expertise of these multiple oil companies with an established commercial presence around the world.

The refinery will be capable of processing 1.2 million barrels of crude oil per day. It will produce a range of refined petroleum products, including gasoline and diesel, meeting BS-VI fuel efficiency norms. The refinery will also provide feedstock for the integrated petrochemical complex, which will be capable of producing approximately 18 million tons per annum of petrochemical production.

In addition to the refinery, cracker and

downstream petrochemical facilities, the project will include associated facilities such as a logistics, crude oil and product storage terminals, raw water supply, as well as centralized and shared utilities.

"Investing in India is a key part of our company's global downstream strategy, and another milestone in our growing relationship with India," said Saudi Aramco President and CEO Amin H. Nasser, who also noted the opening in 2017 of Aramco Asia's New Delhi office with a mandate to expand Saudi Aramco's international portfolio in this key economic growth region.

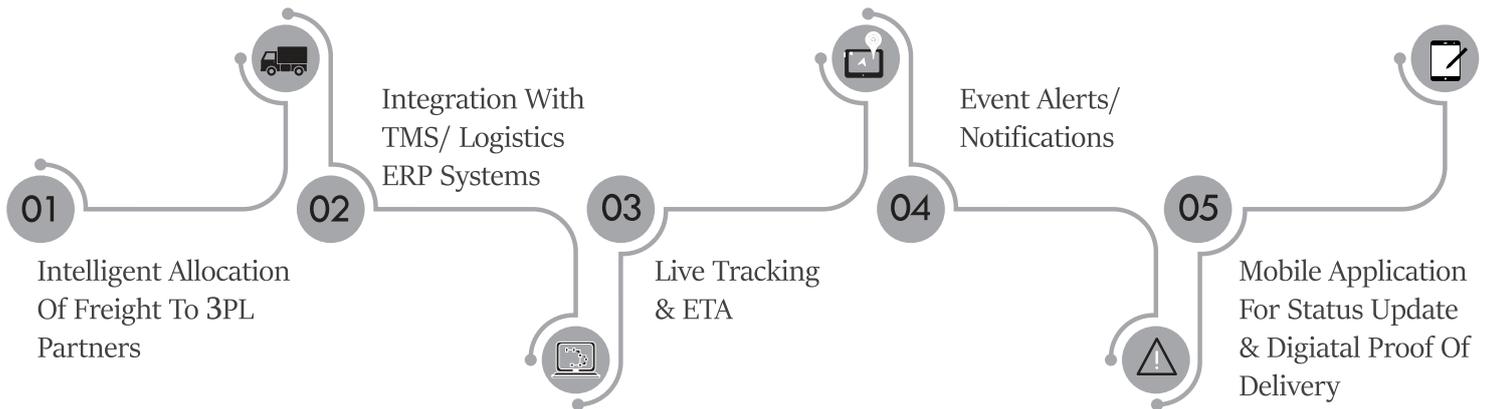


LAUNCHES ITS SUPPLY CHAIN VISIBILITY SUITE

ORBIT



FarEye, a digital logistics platform, has launched its Supply Chain Visibility suite - ORBIT, which allows enterprises to have complete visibility of goods while in transit from the plant right through to the final destination. The suite which is a **“Platform for Predictability”** for freight movement, includes capability to design organization’s custom logistics process, integrates with TMS and WMS systems, allows data-driven transporter allocation, digital proof of delivery and provides live ETA during the entire journey.



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RECOGNIZED GLOBALLY



Nokia Cloud Collaboration Hub Opens in Singapore

Nokia is strengthening its cloud and data center services with the official launch of the first of its kind Cloud Collaboration Hub in Asia. Based in Singapore, the hub is an execution center where multivendor cloud services from strategy, design, execution and delivery are provided. It is one of three hubs in the world, with the other two located in Texas, US, and Reading, UK, offering innovative tooling and automation, as well as DevOps-based cloud development and delivery.

The Nokia Cloud Collaboration Hubs include a multivendor lab set-up with cloud services experts co-located to help operators visualize, develop

and execute their plans. The global network of hubs reflects the growth of Nokia's portfolio of services and capabilities to address the increasing demands of operators looking to accelerate their transition to the cloud.

The Cloud Collaboration Hubs are supported by a network of cloud delivery centers for industrialized infrastructure staging and delivery. The cloud delivery centers incorporate comprehensive build and test automation frameworks to ensure accelerated data center delivery for customers. Nokia announced in January 2018 that a new cloud delivery center will be launched in India to complement the existing

one in Hungary. One of the biggest challenges for operators in creating cloud services is the availability of ready and world-class cloud development engineers and accessibility to a global ecosystem of cloud development partners. This often hinders the ability of operators to rapidly launch new cloud services in a dynamic market where they are competing against traditional competitors and new digital players.

The strong partner ecosystem linked to the hubs enables Nokia to provide best-in-class, open-source cloud solutions and instant cloud development skillsets to meet digital service provider needs. Communications service providers in the region can now tap into Nokia's expertise to develop value-added services to improve customer experiences and help businesses grow new revenue streams.

New Safaricom, PayPal Joint Service to Boost E-commerce in Kenya

Safaricom, PayPal and TransferTo have today announced a collaboration on a new service that will allow movement of funds between M-PESA and PayPal accounts, a huge boost to international eCommerce.

Qualifying M-PESA customers in Kenya can link their PayPal accounts to their M-PESA wallets, enabling them to easily and securely buy goods and services from merchants around the globe. In addition, M-PESA customers can still receive and withdraw money

from more than 140,000 agents across the country. Similarly, the new service will give Kenyan merchants the opportunity to boost their reach and grow their business internationally.

"M-PESA's collaboration with PayPal will open up global market places and the global economy to millions of Kenyans and Kenyan-based businesses. Beyond money transfers, this development ushers in a new era of speed and convenience beyond borders, as we work towards innovating

robust platforms through which more entrepreneurs and consumers can benefit from the growing eCommerce industry", said Joseph Ogutu, Director – Strategy, Safaricom. In addition to linking Kenyan businesses and shoppers to more than 18 million merchants around the world through PayPal, the new service will also allow local businesses to sell their goods and services to more than 210 million active PayPal users across the globe in up to 25 international currencies.

According to Efi Dahan, PayPal General Manager for Middle East, African and Russia, "PayPal's collaboration with M-PESA is part of the company's long-term strategy to enable e-commerce and democratise financial services on the African continent."

MARKET MOVES

Global Mergers and Acquisitions News

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Expect a busy year in mid-market logistics M&A

As reported last month, 2018 looks set to be a busy year for mergers and acquisitions (M&A) in the mid-market logistics sector. Global research shows that, the volume of deals in the logistics sector increased by 18% in 2017, while the total value of deals rose by 5%. Similarly, in the UK and Europe, the volume of deals increased by 16% and total deal value by 8%.

Further analysis reveals that the big difference in 2017 was the return of the mid-market deal – transactions valued at USD\$75m or less. While 2015 and 2016 were characterised by a number of ‘megadeals’ around the world, 2017 saw a re-emergence of M&A transactions in the mid-market arena, a trend likely to continue in 2018.

Midmarket M&A activity in the logistics sector is being driven by growth in certain subsectors, such as e-fulfilment and courier ‘final mile’ delivery. Logistics companies want to get a solid stake in these vibrant segments of the market. A second important factor is the desire for diversification, so that businesses have more services to offer to their customers. In addition,

cost savings and synergies as logistics businesses respond to the competitive environment in which they are operating is seen as key fundamental driver of activity.

Momentum for M&A in the forwarding space is expected to build in the coming year, according to a report from Transportation Intelligence, which said the top 10 forwarding firms accounted for 43.5 percent of the industries US\$141 billion global revenue in 2016, adding that there was still more room for consolidation. Southeast Asian transportation sector is expected to continue to shine as interest in logistics technology companies accelerates and last mile continues. The sector coming off the back of a solid 2017, which saw deal values up by more than sevenfold at US\$25.2 billion across 25 deals when compared to that of 2016.

Beyond Southeast Asia, Chinese investment is making itself felt in emerging markets like Pakistan, Kenya and in the Middle East with a number of new deals announced in Oman (in particularly around the port town of Duqm). Greater China’s thirst

for assets was seen most clearly seen in its acquisition of Southeast Asian transportation companies including GLP and CWT – and is largely attributed to Chinese companies’ chase for overseas assets within the Belt & Road (B&R) initiative.

In the GCC, the logistics service provider industry remains highly fragmented and is on the brink of consolidation with larger private players looking for market dominance. The influx of integrated service providers is a major trend in the market, with companies increasingly focusing on improving their core competencies, while increased competition has necessitated outsourcing to 3PL/4PL players for the companies to maintain their market position.

Going forward, growth in the sector is imminent as the regional governments are actively taking several initiatives such as setting up of free trade zones, providing incentives for air and sea transports, increase spending for logistics infrastructure and allowing private investment through PPPs.

CEVA Logistics moves closer to Swiss IPO

The much-vaunted initial public offering (IPO) of CEVA Logistics is expected to take place in the second quarter, the company announced on the 10th April, in a PR that looked to be gauging market appetite. CEVA initially planned to publically list in 2012 when it was ready to launch a \$400m public offering on the New York Stock Exchange, yet market volatility killed its plan. Since then, CEVA has been the subject to a number of potential takeovers and rumours of a float. The has announced its intention company intends to seek an "all primary offering" on the SIX Swiss Exchange while looking to raise a much higher amount at launch than previously, at Sfr1.3bn (\$1.35bn).

Path clear for 3PL Flexigistic LLC to close Limutti Holdings Kenya acquisition

Middle East 3PL Flexigistic LLC has concluded due diligence of African forwarding and logistics operator Limutti Holdings Limited, with the deal expected to close before the end of the month. The UAE headquartered 3PL recently opened in China and with seeking the closure of the Limutti deal with expand its offices into Africa. Corporate advisory firm Logistics Executive Group acted as the advisors to Flexigistic for the acquisition of Limutti and are activity seeking further assets in the GCC region for the company.

Warburg Pincus doubles down on Asia logistics

Private equity firm Warburg Pincus and Vietnam's Becamex IDC have formed a joint venture to develop institutional-grade industrial and logistics properties across Vietnam, betting on the growth in ecommerce and the opening up of the country as more foreign capital flows in. The

new partners are committing a total of \$200 million to the venture.

Swire Cold Storage sold to US newcomer

Australian cold-chain logistics provider Swire Cold Storage has sold its business, including 15 warehouses, customer and employee contracts and land, to US refrigeration technology company Emergent Cold, the Australian Financial Review reports. Emergent Cold also acquired Swire's Vietnamese cold-storage business in the deal. Emergent Cold was founded in May 2017 by Neal Rider, former President of US cold-storage behemoth Americold Logistics.

DP World on Acquisition Spree to Expand Footprint in Global South

Dubai-based global ports operator has recently announced two strategic acquisitions in emerging economies. The first is in India through Hindustan Infracore Private Limited (HIPL), a joint venture between DP World and the National Investment and Infrastructure Fund (NIIF). HIPL has acquired a 90% stake in Continental Warehousing Corporation (Nhava Seva) Ltd (CWCNSL), an integrated multimodal logistics player in India. CWCNSL's logistics network is spread across key strategic locations in India covering a total area of over 400 acres and providing over 660k TEU (twenty-foot equivalent units) capacity. In addition, CWCNSL's wholly owned subsidiary Delex Cargo India Private Ltd provides door-to-door logistics solutions including freight forwarding, 3rd party logistics, express logistics and hub-and-spoke model of delivery across 54 locations in 40 cities.

The second deal involves the acquisition of Cosmos Agencia Maritima S.A.C. (CAM) for \$315.7 million. Based in Peru, CAM owns a fully integrated logistics service

business (Neptunia S.A and Triton Transport S.A) that offers end-to-end solutions to its customers. In addition to the maritime and logistics services offered by Cosmos Group, it also has a 50% stake in Terminales Portuários Euroandinos S. A., in the Port of Paita (Peru), which is the second largest container terminal in the country.

Ryder System Inc. in USD\$120m deal to buy e-commerce fulfilment company MXD Group.

Logistics and transportation services provider Ryder System Inc. acquired e-commerce fulfilment company MXD Group for about \$120 million. The deal comes as more businesses look to strengthen their online offerings with the rise of e-commerce sales. "This acquisition will enable many of the businesses we serve to better meet their customers' demands, which are constantly and rapidly changing amid a heightened e-commerce era," says Ryder CEO Robert Sanchez.

TFI International acquires Normandin

TFI International Inc has announced that a wholly-owned subsidiary of TFI International has acquired Normandin Transit. Based in Napierville, Quebec, Normandin has was founded in 1988 and has grown by focusing on the transportation of less-than-truckload and full truckload freight shipments to and from any U.S. or Canadian destination. Normandin operates a young fleet of over 300 tractors and 1,000 trailers.

Normandin will continue to be led by Danielle and André Normandin and will operate as a standalone business unit within TFI's Less-Than-Truckload operating segment.

DP World acquires fully integrated logistics services provider in Peru

DP World announces the acquisition of Cosmos Agencia Marítima S.A.C.

for \$315.72million. Based in Peru, CAM owns a fully integrated logistics service business (Neptunia S.A and Triton Transport S.A) that offers end-to-end solutions to its customers. The logistics division offers an integrated platform of solutions in activities related to foreign trade, product storage and distribution, as well as freight services that facilitate development and implementation of industry specific projects. In addition to the maritime and logistics services offered by Cosmos Group, it also has a 50% stake in Terminales Portuários Euroandinos S. A., in the Port of Paita (Peru), which is the second largest container terminal in the country.

TVS Asianics's acquisition of Pan Asia Logistics

TVS-Asianics Supply Chain Solutions Pte. Ltd acquires Pan Asia Logistics Singapore Pte. Ltd. and its subsidiaries ("PAL Group") which includes the German subsidiary Pan Asia Logistics Deutschland GmbH. Headquartered in Singapore, TVS Asianics is one of the largest Asia-based integrated logistics companies. A global supply chain solutions provider, the firm manages an integrated supply chain network of commercial centres across Asia with links to Europe and the Americas. Through this acquisition, TVS Asianics has incorporated Pan Asia Logistics' freight forwarding and contract logistics services, gaining immediate

access to six new markets including Germany. With this expansion, TVS Asianics has expanded its global agency network and has grown to 40 locations in 14 countries across Asia, Oceania and Europe.

FEDEX acquires P2P Mailing

FedEx Corp. acquired P2P Mailing Ltd., a U.K. provider of e-commerce transportation services worldwide. Acquiring P2P Mailing allows FedEx to more effectively serve the e-commerce market, says Carl Asmus, CEO of FedEx Cross Border. Wind Point Partners-backed St. George Logistics recently announced two deals.

M&A INSIDER

Merger & Acquisition Deals & Transactions

BUSINESS FOR SALE

Logistics Joint Venture Opportunity

One of Oman's leading and largest local conglomerate Seeking expertise partners

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

Australian based Logistics Supply Chain Company

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

Strong prospects for growth with long term signed customer contracts. This well established and highly regarded 'local hero' has an excellent reputation, staff group to manage the business and brings excellent systems technology. Present owner is seeking to retire.

UAE contract transport company with locked in customer contracts

Transportation / Trucking United Arab Emirates | POA

Regional transportation business with more than 30 years' profitable track record in the UAE. Excellent growth prospects with new customer contracts locked in and

implementation for 2018-2019. Large company owned fleet including of an excellent age and strong reputation for services, compliance and safety management.

Highly profitable and well established services firm in the UAE

United Arab Emirates | POA

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

SEEKING TO BUY

Sales Leaseback Interest Sought in the GCC

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

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

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

Large to Medium size freight forwarding business in the UAE

Freight Forwarding or like

Target Geography: United Arab Emirates

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

Currently under MOU**Capital Raising - European / UAE Manufacturing**

Capital Sought: USD\$16,500,000

Manufacturing: Sustainable Materials

Germany / UAE

Seeking a strategic partners and investors to establish a company in the GCC to manufacture and sell

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

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

Logistics / Freight Forwarding

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

Seeking small to medium size forwarding business or businesses

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

3PL Logistics Warehousing Business Logistics / Freight Forwarding

Target Geography: United Arab Emirates

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

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

MERGERS, ACQUISITIONS & MERGER INTEGRATION STRATEGY

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.



Disruption Drives Growth and Innovation



Photo: Mark Geilenkirchen, Chief Executive Officer of SOHAR Port and Freezone

As technology continues to advance, organisations globally reach turning points that test the foundations of their operational models and commercial viability. This crossroad involves two key elements; one being the new set of challenges that arrive as a part of tectonic shift in technologies, and the other a unique opportunity to transform customer experiences by utilising the concept of disruption in order to seize a competitive advantage.

In his keynote 'Disruption is evolution' speech at the LogiSYM conference in Dubai, Mark Geilenkirchen, CEO of SOHAR Port and Freezone said, "We can clearly see the impact of technology and digitalisation on manufacturing and supply chain management. Such forms of 'disruptive' technology is somewhat of a misnomer, as it drives operational and environmental improvements, and delivers benefits to society as a whole. The Port of Rotterdam, whose partnership with SOHAR is a key contributing factor in

our continued growth and success, has also made use of similar 'disruptive' technologies, over the course of its 600 year history."

"Industries today are undergoing disruptive change, many of which could have a major impact on their future. Driverless cars, being developed by Google and other major automakers, may eventually prove safe enough to replace a vast number of driving-related jobs, such as chauffeur, bus, truck, and taxi drivers. Airbnb and HomeAway are doing the same for the hotel and motel industry. Employment on farms and ranches, which used to make up a large percentage of the agricultural workforce, dropped massively due to the vastly superior efficiency, speed, and cost effectiveness of automated machinery; while newspaper print numbers continue to slide as more readers are going online to news sites. At these turning points, companies either transform themselves, or they fall by the wayside. Despite these innovations which can enhance commercial growth, disruption can often create an unforeseen domino effect on other sectors that are yet to undergo a similar process," Mark notes.

"However in the near future, I do not see a dramatic impact from disruptive technologies within the logistics sector, certainly considering we have already adopted high levels of automation and remote management technologies" Mark continues. "In my view, one of the notable changes that will affect the sector, besides using blockchain technology for documents, will be 3D printing. The 3D printing industry has seen rapid

growth, and a huge upsurge in use as the technology matures. In a few years, it may even give rise to the possibility of manufacturing a wide variety of goods on demand right from the comfort of your own home. This could disrupt the manufacturing industry and reduce the importance of logistics and inventory management. There would no longer be a need to transport so many ready-made goods overseas or store them in warehouses, while assembly line workers could be replaced by industrial robots and 3D printers. So the supply chain will change and transport more half-fabricates and raw materials instead of ready-made products."

"But then again, what may have a negative impact on the volume of goods being transported and so impact the logistics sector in its growth, is not necessarily negative for other industries. Health Care would be able to replicate prosthetics more accurately and have precise measurements for internal organs. It will simplify the construction process for buildings and infrastructure and even help provide cost effective housing for the homeless. Two artists across the globe could work on the same project, just by sharing the design and exchanging visual modifications. And in the long run, it may be even prove useful for aeronautics and extended space mission where replacement parts for vital components could be manufactured directly by 3D printers in space, as opposed to spending millions to send another freighter to orbit with these same parts."

Commenting on new strategies being implemented at SOHAR Port and Freezone, Mark says, "We have characterised 2018 as the year of 'Smarter Thinking'. This concept is one that encourages the sharing of innovative ideas to modernise and

simplify our operations, and at the same time become more efficient. Take for example, the steam produced by the oil refinery at SOHAR which is a by-product of their operations but has significant energy potential. To tap into and utilise that energy, we are investigating the possibility of a pipeline to carry the steam to other industries. The heat from the steam can be used as an energy source to produce their products, and will therefore reduce energy loads and costs. In order to further reduce operating costs, we're also conducting a study on converting our port vehicles to run on hydrogen, which is another underutilised by-product from the industry. Additionally, we are installing PV solar cells around our head office, which will reduce the amount electricity drawn from the power grid."

"As a part of our year of 'Smarter Thinking' and to promote innovation and sustainability, we will be conducting a 'Strawberry Challenge' in collaboration with several colleges and universities in Oman. The challenge will see teams of students competing against each other to engineer the best self-sustaining ecosystem to grow

strawberries. These strawberries will be grown in a self-sustainable manner, whereby solar panels will be used to generate electricity and water vapour will be trapped to provide water for irrigation. We will have a plot of land within the Freezone dedicated for the challenge, the main goal of which is to see which participant is successful in creating a self-sustaining biosphere that can generate the best strawberry yield."

Commenting on the recent developments at the port, Mark states, "We anticipate steady growth in 2018 due to further expansion of the port and companies within the free zone, together with new bunkering facilities to be introduced this year. This will be complemented by our agro bulk terminal and food cluster, and our SOHAR Port South expansion, which is nearing completion. The expansion is another step for Oman to promote the logistics and industry sectors, and aligns with the country's continued economic diversification efforts."

"The SOHAR Port South expansion, which is at its final stages, is one of our major projects. We aim to reclaim around 200 hectares from the sea, starting with approximately

50 hectares in the initial phase and correspondingly adding more in later phases. The second phase will be focused on hosting new industries that require deep water berths. Trescorp, a Singapore-based oil and petroleum products trading firm, is one of the first investors to benefit from the new deep water project."

Mark notes, "One of our major objectives for the year is the completion of the new agro bulk terminal and food cluster, alongside a berth at SOHAR Port dedicated entirely to food and agro products. The food cluster will consist of a sugar refinery privately owned by the Oman Sugar Refinery Company; a governmental strategic food reserve facility regulated by the Public Authority for Stores and Food Reserve; and a milling plant built by Sohar Flour Mills."

Oman's statistics have noted that the local food and agro industry witnessed a growth of 5.4% as of September last year; standing at OMR 390.3 million as compared to OMR 370.2 million in September 2016. Oman has also remained active in consolidating its food security by increasing domestic production. The growing contribution of the local agricultural sector seeks to make up 3.1% of Oman's GDP by 2020. "As we progress through the year, we will continue to explore the possibilities for ideas and innovations that can potentially transform productivity at SOHAR. We are working towards implementing as many of these as possible," Mark adds.

Mark Geilenkirchen concludes, "Keeping in line with the SOHAR motto 'It all starts here', we are charting our own course to develop and grow SOHAR. Our growth delta underscores the fact that SOHAR is emerging as one of the prominent logistics hubs in the region."

We have characterised 2018 as the year of 'Smarter Thinking'. This concept is one that encourages the sharing of innovative ideas to modernise and simplify our operations, and at the same time become more efficient.

The Meal-Kit Industry Faces Last-Mile Challenges

Though difficult to imagine today, there were mail-order businesses before e-commerce. The process took a little longer, and lots of things were damaged or lost but an exchange of money for goods that were delivered directly to consumers' homes (mostly via the U.S. postal service) did take place.

Then in 1995 Jeff Bezos sold his first book on Amazon, and eBay held its first online auction and soon the e-commerce revolution was under way. Today, many retailers exist only

in cyberspace and stalwart brick-and-mortar retailers often sell more merchandise through websites than inside stores. Last year, Cyber Monday (which takes place each November after Thanksgiving) was the largest digital shopping day in U.S. history. In Asia, Chinese consumers spent \$25 billion on Singles Day (which takes place each November 11). According to the World Economic Forum, this one day of online shopping in China was more than the entire Cyber Weekend online spending of shoppers in the U.S., Canada and Europe combined.

Consumers now have such a high level of trust in e-commerce channels that they don't think twice about ordering anything and everything online including food items – which are now being shipped in more ways than ever before. A recent survey by Coresight Research, found that 45.3 percent of U.S. adults who bought groceries online in the last 12 months opted to have their purchases delivered to their homes.



In fact, we are currently witnessing a food e-commerce evolution. More consumers want fresh food (be it groceries, specialty cuisine, or meal kits) conveniently delivered to their homes. According to consumer research firm Packaged Facts, the meal kit industry alone is worth \$5 billion. Research firm Technomic predicts meal kit subscription revenue worldwide will top \$10 billion by 2020.

These heavily marketed convenience services with precocious names (Fusspot & Foodie, SimplyFresh, Batterful, Sun Basket, Purple Carrot) have quickly become e-commerce sensations. The kits comprise measured ingredients and recipe instructions and appeal greatly to millennials who embrace food retail but not food shopping.

These kitted cuisine providers cater to singles, couples or families and many have menus designed to address specific preferences and food profiles such as vegetarian, southern, gluten-free, and organic. With so many options consumers can pretty much find their perfect meal match, and many feel

that this is a better way to eat. In a recent Nielsen survey, 81 percent of consumers said they believe meal kits are healthier for them than prepared foods from their local grocery store.

Though the meal kit contents may be healthier, the food is definitely not safer.

Is Your Dinner Putting You at Risk?

Unbeknownst to most meal kit subscribers, no temperature regulations are in place for shipping e-commerce foods. It's an important issue that's putting meal kit consumers at risk of illness. The foods bacteria love best are some of the same offerings found most often in meal kits: dairy products, meat, poultry, and fish. At room temperatures, present bacteria doubles every 20 minutes.

A recent study of meal kits funded by the U.S. Department of Agriculture and conducted by Rutgers University and Tennessee State University and showed many of the tested meat products to be full of bacteria upon delivery. The research found the kits were likely to be left outside for eight

or more hours before being opened and refrigerated.

While the companies tested in the study used cold packs and some kind of insulation, nearly half of the meat, seafood, and poultry products arrived higher than 4.4 Celsius, a temperature which makes meat unsafe to consume. One kit in the study arrived at temperatures between 15.5 and 21 Celsius and had "microbial loads off the charts," according to one researcher. Food containing that much pathogenic bacterium can cause foodborne illness if eaten.

The laws and government expectations regarding food defense vary from country to country. The Transported Asset Protection Association suggests "all parts of a food manufacturing supply chain that manufacture, process, pack, or in any way handle ingredients or final products need to develop specific procedures to secure its products." In 2011, the Food Safety and Modernization Act was passed in the U.S. The Act authorizes the way food is grown, harvested, and processed but doesn't address or authorize the way it's shipped. This means the companies that are not maintaining proper food temperatures inside meal kits are not accountable for any resulting consumer illnesses, and neither is the carrier that delivered the package.

For now, consumers are left to fend for themselves.

One way to regulate the shipping of fresh food in the U.S. would be to add an addendum to the Food Safety Modernization Act. The longer temperature regulations go unchecked, the worse things could get as the meal kit market continues to expand.

Consumers now have such a high level of trust in e-commerce channels that they don't think twice about ordering anything and everything online including food items

Shipping Food Isn't for Amateurs

Total end-to-end supply chains for temperature-controlled products such as fresh food are highly complex and difficult to navigate. As globalization of e-commerce continues to rise, complexity multiplies. To avoid product degradation, ensure consumer safety, and protect brand integrity, it's imperative companies work with packaging partners that are able to provide qualified insulative solutions which maintain proper temperature profiles, ensure space optimization, and reduce the overall environmental footprint.

Subscription meal kit companies, in particular, are part of a rapidly evolving industry comprising a massive amount of startups. Though entrepreneurial and innovative, most of these companies don't have experience in food safety or the complexities of last-mile delivery, and are facing a slew of major challenges that even well-established companies struggle to navigate.

One key challenge with meal kits is the wide variety of products that have to be packaged, each of which has different temperature and protection requirements. Meal kits typically contain at least one kind of protein, a variety of vegetables, and sometimes fruit, herbs, and dry goods. It stands to reason that a free-range chicken breast and carton of cr me fraiche have different needs than a packet of dry grain. Proteins, which are usually shipped frozen and thawed along the way, should be placed nearest the phase change material to keep the temperature at a safe level. A liner or dunnage material must also be used so vegetables don't freeze. These fluctuations degrade the quality of the goods quickly, making for a very delicate balance. The wrong combination of materials can easily

miss the mark and have harmful results.

Another major challenge is the rapidly changing nature of food consumerism. Meal kit subscription services have to respond to changes in trends, taste, and season just like the fashion industry. They must constantly evolve their recipes and packaging in an attempt to retain fickle customers and differentiate themselves in an increasingly crowded market space. This game of quick changes requires meal kit companies to work with suppliers that are nimble and scalable enough to provide the right packaging, the right testing, and the right response to each new challenge. A major variable for the meal kit delivery industry is shipping duration (6, 24, 48 or 72 hours). Dropping a box on a doorstep in the middle of summer will present a different level of risk than a cold weather delivery date. Similarly, as these startups grow and attempt to scale, they will often extend delivery windows to accommodate new customers, so what used to arrive on Wednesday afternoon might now arrive Thursday morning. But most e-food delivery companies are not modifying packaging or delivery strategies to account for these variations, and are putting brand equity and customer safety at risk.

To relieve the pressure of these complexities, meal kit companies (as well as food manufacturers, food retailers, e-grocers, and the like) must partner with packaging firms that have proven experience in temperature assurance, and that can provide continuity of materials around the globe.

Meal kit suppliers should specifically seek partners that have certified lab capabilities to customize and design

solutions that meet the required profile of proteins and be able to digitally track, trace, and monitor food temperatures throughout the supply chain. The companies that do will be able to market with confidence to consumers and demonstrate a commitment to food safety that competitors lack.

Until regulations are in place, it will be up to brand owners to partner with the right solutions providers to ensure the safety of meal kits throughout the logistics chain.



Susan Bell

Global Vice President and General Manager of
Temperature Assurance

Sealed Air

Susan Bell is responsible for leading the global temperature assurance business at protective packaging company Sealed Air. She is charged with creating the temperature assurance strategy, driving operational excellence to meet customer needs, catalyzing and executing mergers and acquisitions, and developing new business to ensure temperature assurance drives value in the global supply chain. Susan brings to Sealed Air more than 20 years of global marketing and sales experience in strategy, business development, and global account leadership across consumer and industrial markets.

Digitalisation & Eating the Elephant

(no elephants were harmed in the writing of this article)

We've heard the term digitalisation for some time now. At events and in the press (including at LogiSYM) there are strong messages that tell us that digitalisation is necessary. We often overlook the fact that company digitalisation initiatives fail to address key factors: the lack of understanding of what is required and how it is applicable at various levels of the organisation.

And then there is the fundamental question – how do we begin?



DIGITALISATION – DO WE HAVE TO?

What does Digitalisation really mean for our business?

There are a number of definitions of digitalisation. And there is some debate over the use of digitisation vs digitalisation. We use digitalisation deliberately, as we are not talking about turning paper documents in to electronic documents, but rather seek to change processes. This addresses streamlining the way information is pushed around the organisation. This also incorporate digital means to improve the productivity of the organisation.

One of the definitions that strike to the heart of what businesses need to do is as follows: ***“the use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business.”*** (Source: Gartner Inc. [online] Available at: <https://www.gartner.com/it-glossary/digitalization/>)

Why? & Do I have to?

Digitalisation can assist organisations with growth. All Companies can improve the efficiency of their business processes, consistency, and quality across a global organisation. Even if businesses today are not processing global transaction, digitalisation can strongly enable with growth beyond country borders at a fraction of the cost. Other gains and benefit for those who choose a digital culture include:

- Integrating a digitised records system with partners, vendors, customers to increase productivity and reduction of manual processing. You can manage more with fewer staff;
- Improve accessibility and facilitate

better information exchange worldwide. Use of tools that include translation/localisation assist with this now more than ever;

- Increase response time and customer service globally, allowing for management by exception and other process efficiencies
- Reduce cost per transaction or process
- Ability to take advantage of analytics, to improve decision making strategically and operationally
- Help with the flexibility of staff, allowing organisations to grow and scale back personnel based on need, as well as looking at a global staff base

A well designed digitalisation plan can help reinvent processes, improve quality and promote consistency. But how should organisations begin?

digitalisation, minimise risk and evaluate opportunities for returns. Similarly, with the proliferation of SaaS providers (Software as a Service), the exposure can also be limited to an operational fee (monthly or annually) rather than a capex line item in the tens or hundreds of thousands.

What is a Pilot Test?

A pilot project, pilot test or pilot experiment are small scale preliminary test or implementation. They are conducted with smaller groups, teams, departments, country or range or products in order to evaluate feasibility, time, cost, adverse events. This simulates improvements for the final project or product implementation. For a limited sample or range of products - example, a certain grouping of SKUs, or ocean freight in a certain geography like ASEAN.



How do you eat an elephant?

Digitalisation projects can potentially affect the entire organisation and such programs should have support from the top. However this can be overwhelming for large and small companies alike. It can be reminiscent of the old pun – how do you eat an elephant? One bite at a time!

Experiments and pilot testing can be one way to take a “bite” out of

Selecting the Pilot Case

To ensure the optimal business gains from the proposed project, it is important to ensure the range being piloted is significant enough to measure the impact and to drive a business case. In some cases, this will be opportunity driven. For example, an organisation might be considering tender management software for their business and an upcoming tender

exercise for ocean freight in the ASEAN region is on the planning horizon. This could be an opportunity for testing the viability of the proposed solution in order to determine whether it is suitable for the whole organisation.

Evaluating the Case vs the Solution

In determining whether the proposed solution will be appropriate, it is important to evaluate the capabilities of the software to the overall parameters of the pilot and also versus the existing systems.

- What problem is being solved?
- Why is this required?
- Is there a sense of urgency?
- How will the problem be solved by the software and the solution proposed ?
- What can and cannot be done?
- What are the benefits to be gained?
- What are the costs to the organisation?

Proposing the Case to Management

In positioning the digitalisation pilot with management, one of the biggest issues is in explaining the need for the pilot to management. The questions of “why?” and “why now?” need to be addressed. Typically, organisations will often cite that “we’ve always done it this way” as a reason to not replace

current practices with digitalised processes. Unfortunately, there is a sense of urgency around this with regards to:

CHANGES IN THE COMPETITIVE ENVIRONMENT.

Are there changes to the ways that other organisations are using technology? Keeping up may be the main reason as the pressure is on to do more with less. Examples of other businesses that are utilising digitalisation can assist in convincing management that it is time to take action.

COST AND PRODUCTIVITY PRESSURES.

Businesses are faced with the competitive reality that often means that prices are a race to the bottom. Failing to increase the productivity of processes could certainly put any business at a disadvantage. Return on investment (ROI) projections and productivity calculations can demonstrate the gains to be made with regards to these pressures, and often the SaaS/software vendors will assist.

THE NEED FOR TRANSFORMATION.

The organisation may be in an industry or market that is being

disrupted. Being able to fight back with digitalised procedures may give staff the breathing room to think of ways to remain relevant to customers instead of doing procedural work.

WHAT DOES SUCCESS LOOK LIKE?

Presenting projections about the costs saved and time saved as Year-on-Year benchmarks will assist in terms of presenting the potential success for the organisation. There can be intangibles as well – examples of this may include employee wellness (reduction in medical leave), as well as reduction in employee turnover. Will the organisation be able to free up resources, improve efficiency, or be more lean?

When detailing success criteria, it is crucial to be specific and clearly illustrate the facts in a structured format. Typically Gantt charts, simple calendars, whichever are appropriate, depending on the size and scope of the project.

Figure 1 below - demonstrates some key format data.

What happens next?

If the pilot project is successfully completed, what can the organisation expect to happen next ? How will it

FIGURE 1 – TABLE TO DETAIL SUCCESS CRITERIA

CRITERIA	BENEFIT TO BE ACHIEVED	RELEVANT	ACHIEVED

be implemented? How will it affect personnel and existing systems? How long will the implementation take? Here is where a timeline – either Gantt or simple calendar – is appropriate here.

If the project is unsuccessful, then it is important to outline the reason. Was there a solution feature gap? Was there a problem during implementation, such as missing data, unable to map or integrate with existing systems, issues with training or on-boarding business partners. Or was it a gap in expectations versus actual deliverables?

Most pilots will have some failures. It is important to identify whether the failure will be a deal breaker.

CHALLENGES AND OBSTACLES

This is a simple overview of the basic steps to get your pilot off the ground. While the pilot makes business sense, there are often challenges which may arise. In looking back on our own experience, the following are some obstacles to be aware of.

Inability to Upsell to Management

A number of projects that make business sense die before the pilot can be run. It is often because the functional areas are unable to “Sell” their idea to senior management. Identifying and engaging the right stakeholders is important for success. This helps to articulate the project benefits in a way that matches the overall priorities of the business. Knowing what is important to management when evaluating these projects, is fundamental. Generally SaaS do not require large capex commitments (often a major hurdle). Engagements need to occur at the right levels of management and decision makers. The project expenditure must be correctly identified, as SaaS solutions

can often be allocated as an operating cost rather than a capital cost (capex).

Unclean Data

Some pilots may fail due to the fact that the data included in the pilot is incomplete or incorrect. Vendors may ask for specific data when setting up your pilot or project, and failure to give them the data they require can result in project failure. Remember garbage in = garbage out.

Training and Support

Non-use of any software solution will ultimately mean that the project will fail. It is important to deploy user training so that there buy-in of the software and used effectively. Use of inactive login reports, usually a report able to be provided by most serious software vendors, will give insight in to which users are not engaging with the solution. Reasons for this could be lack of training, or there could be a fear

of technology. It is important to ensure that users are engaged to reduce this as much as possible. Make sure that users are motivated to use the product and are comfortable enough with it so that they are not afraid of making a mistake and therefore will resist the change less.

Ultimately digitalisation is occurring, and organisations will need to make the step change to remain competitive. To do so earlier could allow your organisation to stay ahead and enjoy the advantages of digitalisation before competitors. Try a pilot project and take advantage of free trials, trial implementations and other offerings that are available from software vendors to succeed or fail-fast, make a smart decision with less risk to your organisation (note that pricing models vary from vendor to vendor). Start your digitalisation project today, and start taking that first bite!



Stephanie Krishnan
Advisory Board Member
**The Logistics & Supply Chain
Management Society**

Stephanie is an accomplished businesswoman, entrepreneur, and corporate innovator whose career path is not constrained by traditional bounds, and allows her to bring a diverse range of experience to bear on her roles and clients. Her diverse professional background complements her years in academia and in the International Business space. Stephanie holds a Masters of International Business from the University of Wollongong where she is currently in the final stages of completing her PhD in Supply Chain & Cross Cultural International Business.



Vivien Cheong
Regional Sales Manager
**TICONTRACT,
Transporeon Group**

Vivien Cheong has close to 10 years of experience in the logistics and supply chain industry across various Asia Pacific geographical regions, working for various logistics service providers such as APL, Toll Group, Tiong Nam Logistics in the contract logistics and ocean freight space. She leverages her knowledge in all aspects of freight and logistics, including commercials, operational, business development, procurement strategy across multiple industry verticals married with technology to drive meaningful change in the companies that she works with. Her past roles have included key account sales, tender management and business analysis.

Leadership - a Key to Business Success

Part 2

Synopsis from Part 1 (published in Jan/Feb 2018) – In part 1 of this article Leadership is defined as "a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task" or "organising a group of people to achieve a common goal". The manifestation of leadership can be identified by 3 distinctive characteristics - Leading, Aligning and Sustaining.

A crucial area is "Engaging the right kind of Leadership in the enterprise.

In particular how businesses harness relevant leadership qualities? And how a CEO builds his team with these important behavioural characteristics to make the organisation perform even better?"

We looked at leadership behavioural characteristics – highlighting very specific traits – confidence driven by competence, balanced views, acquired by being attentive to surroundings, humble articulation with accurate language, accountable responsibility with an openly engaging

and collaborative challenging temperament.

The opposites of good leadership traits are often manifested as aggressive posturing, bold and brash challenges with a strong tendencies of downgrading achievements with lower degrees of collaboration and engagement. A negative kind of leadership, often results in encouraging adversarial behaviour amongst colleagues.



LEADERS ARE NOT BORN BUT ARE DEVELOPED

Leadership development starts as early as 8 years old. At this age youngsters are exposed to team sports, extra curricular activities and group community activities. Whilst many youngsters are given similar opportunities, not all will develop the latent leadership traits in the same manner. Positive character building at a young age are important. At an early age, transformational changes and developments are often not structured nor a conscious process, and occur mostly in a haphazard manner.

As confidence levels improve, youngsters who possess latent leadership traits, will start to emerge as leaders in activities they are involved in. They start to influence others in a natural way. This personal evolution starts to take on new dimensions in their leadership development – a self realisation that gains momentum and is manifested in several ways.

There are numerous worthy case studies and published papers on leadership development and continuous improvement of leadership effectiveness. This will not be discussed further in this article, except to illustrate that leaders are developed and not born.

Whilst a natural development of leadership can progress successfully throughout adolescence and then on adulthood, it can be a vulnerable development that could be stunted. Such vulnerabilities could be attributed to the balance and performance of the activities they are involved in. In fact the most vulnerable are those who experience negative incidences in their academic progress or even problems in the family and in social circles. Some will overcome

them and become great leaders. Others will withdraw into insular or reserved behaviour and fail to develop their full potential.

IDENTIFYING AND SELECTING LEADERS FOR YOUR ENTERPRISE

We appreciated that leadership development starts at young age and continues throughout adulthood. It is however the nurturing process, composed of many experiences, exposures and direct involvement that really count. It is this journey that produces leaders - with confidence, with a balanced expression and engaging in whatever challenge they undertake.

Leaders in business should ideally bring with the many of the personal characteristics outlined above. The technical experiences and exposures gained from their industrial or professional sector, add an important layer in leadership competencies.

Combing these two sources, forms core leadership characteristics.

Personal leadership characteristics and technical knowledge are complimentary in the formation of world-class leaders. Continuous upgrading of their knowledge and skills to suit the times and environment they operate in, is a natural trait of a true leader – always open to learning, instigated by their own initiative.

Searching and selecting leaders for your business, is not only about their adult and career achievements. Understanding how their knowledge, exposures and experiences have developed from a younger age, is as important. This proves their inherent leadership qualities and capabilities as adults.

The identification process starts when reviewing the curriculum vitae. Well prepared CVs can be very crucial to understanding a candidate. It is also

It is however the nurturing process, composed of many experiences, exposures and direct involvement that really count. It is this journey that produces leaders - with confidence, with a balanced expression and engaging in whatever challenge they undertake.



up to the candidate to structure a well presented CV.

Identifying and selecting leaders for your organisation is a very important responsibility. But also a very challenging professional experience. Extracting and testing leaders behavioural characteristics, is key to drawing out the best from the interview and knowing how to position them in the organisation.

The structure of questions and manner of responses will demonstrate and prove the specific leadership traits. We expect to see confidence driven by competence, balance & depth of views, humble articulation with accurate language, evidence of accountable & responsibility, with an open engaging and collaborative challenging temperament.

On the opposite side one must be very aware of traits that could be passed off as leadership skills. It is a clever tactic used by candidates who are not properly challenged at interviews. Manifestations of aggressive posturing, challenging approach with tendencies to downgrade others achievements, are also false signals of good leadership. Evidence of low support for collaboration and engagement amongst colleagues are other signals. In fact, this negative

kind of behaviour, often results in creating adversarial and unproductive situations amongst colleagues.

Selecting the right leaders for your organisation needs to be shaped around the core values of the organisation. The ranking of importance for human capital versus the other business capital, is a vital parameter. If a Corporate business culture believes that people are crucial to business success, then embedded leadership skills is an indisputable value.

HOW SHOULD THE CEO USE THE LEADERSHIP TALENT IN PLACE?

Having found the right leaders for the organisation, retaining and growth development is crucial. Creating and sustaining the right corporate culture to grow and develop people talent, is a crucial role for the CEO. Positioning leaders in key roles, will not by itself be enough to achieve business performance. This is where people dynamics, balanced with business goals, has to be finely managed across all functions.

Literature on organisational leadership and business schools in particular, emphasise staying clear from over-dependence on a leader in favour of a structured model. Such a model focuses on the individual as well as the

collective talents in the organisation. This approach recognises its leaders but also the collective organisational capabilities in solving problems in a more effective and efficient way of performance.

The challenge remains, on how best to deploy leadership to effectively enable and stimulate teams. Teams and participants will need to be equipped with the right competencies to work dynamic and empowered work environments. This is a connected and motivational approach to managing people in organisations to achieve superior performance.

SUSTAINING GOOD LEADERSHIP AND CREATING SUCCESSION.

Embedding good leaders at all levels of the organisation is about securing the Corporation's future. This is a key strategic tool the CEO has at hand. Ensuring the sustainability of the business strategy, good business governance and a smooth succession planning program is all about people. Financial security, Customer loyalty and Investor confidence are the key elements that must be protected and for which a strong leadership and succession planning culture will be a key enabler.

However, we know too well it is quite

challenging to find good leaders to run our businesses. It is even more challenging sustaining good leaders and developing a robust succession plan that CEO aspires to have.

One of the key leadership characteristics that I believe is fundamental, “is openly engaging with a collaborative challenging temperament.” This one sentence describes it all. A leader that is engaging, will look at people as an important asset in their team.

A leader that is open, will stimulate new ideas, creativity, innovation that will grow people and the landscape around them. A leader that is collaborative and challenging, will push the boundaries to new limits. Giving people the space to make mistakes, learn and develop, will in the end lead to better judgement and confidence.

Good leaders do not want to hold everyone to ransom with their power and authority. They aspire to grow the people around them, to create

that depth and balance. This is what Leadership Density is about. Getting everyone involved in leadership roles, builds that depth of knowledge, skills and sustainability.

The affirmation of one “big” leader in an enterprise is a sure way to negate sustainability and succession. However, the concept of a structured management of shared responsibility, is a way to develop distributed forms of leadership in the organisation.

Distributed forms of leadership is the process that implants competencies and capabilities at all levels of the organisation. It does not mean that distributed leadership challenges or replaces the CEO as the key leader but it is complimentary. The CEO will drive the Strategic Direction. But it will be that Leadership Density that will be able to execute the Tactical Strategies in the CEO’s strategic vision, within the organisation.

With this model, the CEO’s responsibility for compliance and governance, is also shared. This in fact

delivers a very powerful structure – evidence of this is seen in Corporations with “best-in-class” records of good governance and compliance.

Being a leader at any level in an organisation, can be a lonely place. But it does not have to be that way. Indeed, addressing the core of what makes good leadership will make leadership more productive.

I hope that young and aspiring leaders will apply effectively what they learn. To the older and mature leaders, share your knowledge.



Joe Lombardo
Founder
ESP Consult

Founder of ESP Consult, Joe Lombardo, has advised CEOs on change management through a supply chain focus. The need-for-change is a likely and necessary step for business development and sustainability. However starting a journey of transformation within an organisation can be hugely daunting. This introduction to a transformational journey, illustrates that it is not as complicate or as expensive as it may seem. But the rewards and benefits will be significant. ESP Consult advises on structuring the model to facilitate and successfully implement on Adaptive Supply Chain driven organisation. For those involved it has been an enlightening and motivating experience

For more information about the about the article and publications to improve your supply chain refer to joe.lombardo@esconsult.biz

Good leaders do not want to hold everyone to ransom with their power and authority. They aspire to grow the people around them, to create that depth and balance.

EVENTS

April

HOME DELIVERY WORLD 2018

April 18th - 19th, 2018
AmericasMart Center, Atlanta
www.terrapinn.com/conference/home-delivery-world/index.stm

E-COMM MENA

April 24th, 2018
The Address Hotel, Dubai Mall
<http://ecommena.com/>

May

LOGISYM SINGAPORE 2018

May 15th - 16th, 2018
NUSS Kent Ridge Guild House
Singapore
www.logisym.org/singapore2018

GPCA SUPPLY CHAIN CONFERENCE

May 8th - 10th, 2018
Dubai, UAE
www.gpcasupplychain.com

HANDS UP KENYA

May 26, 2018
Nairobi, Kenya
www.handsupkenya.com

GPCA'S RESPONSIBLE CARE CONFERENCE

May 8th - 10th, 2018
Dubai, UAE
www.gpcaresponsiblecare.com

ASCI2018

May 23rd - 24th, 2018
Swissotel Sydney
Australia
www.asci2018.com

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- ▶ Jafza Representatives
- ▶ Practice Consultants
- ▶ Mergers, Acquisitions & Merger Integration Strategy

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