

ISSUE 1/2019

DACHSER

magazine

THE WORLD OF INTELLIGENT LOGISTICS



CONNECTIONS

ALL FROM A SINGLE SOURCE
FOR THE WORLD MARKETS

CZECH REPUBLIC
CONNECTING EUROPE

CAREERS
MOVING UP THE
LADDER IN LOGISTICS

MAKING CONNECTIONS

To bring together things that belong together, both big and small, people have always looked for ways to build bridges.

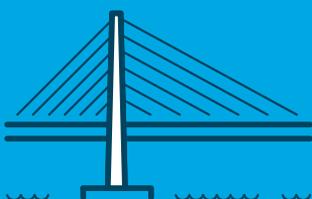


700 meters was the length of the floating bridge built over the Bosphorus by the great Persian king Darius I in 513 BCE as part of his campaign against the Scythian cavalry. More than 70,000 soldiers are said to have crossed the straits dividing Asia and Europe over this bridge.



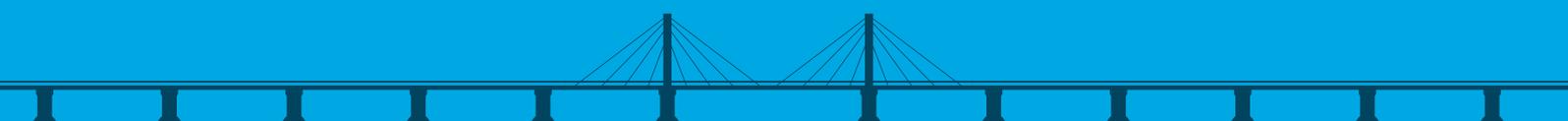
80,000 kilometers is how far the world's freshwater canals will stretch by the middle of this century to supply agriculture and industry. If laid end to end, these artificial rivers and aqueducts would reach around the earth twice.

565 meters is the height of the tallest bridge in the world: the Beipanjiang Bridge, which spans the river of the same name in southwestern China. Measuring 1,341 meters in length, the bridge is the highlight of the 3,000-kilometer G56 motorway, which connects Guangzhou with the Myanmar border.



343 meters—that's the height of the tallest of the Millau Viaduct's seven piers in the south of France, making it even taller than the Eiffel Tower. This motorway bridge over the Tarn River is also one of the longest cable-stayed bridges in the world.

0.0 metric tons is the amount of extra load exerted when an inland freighter weighing several thousand metric tons passes over the water bridge where the Mittelland Canal crosses the Weser River. This is where Archimedes' principle comes into play, according to which the volume of water displaced by a floating body is proportional to that body's weight.



7,845 meters in total length make the Öresund Bridge the longest cable-stayed bridge for combined road and rail transport in Europe. Together with an artificial island and the Drogden Tunnel, it connects the Danish capital Copenhagen with the Swedish city of Malmö. About 70,000 people travel over the bridge every day.

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GOING GLOBAL

From Spain via Central and Northern Europe to the rest of the world: Dachser is paving the way for Dicsa, a worldwide leading distributor of hydraulic and pneumatic components and manufacturer of stainless steel fittings, to reach customers all around the globe as efficiently as possible.

It's hard to imagine a world without hydraulics. In 1795, Joseph Bramah came up with the idea to operate a hay, flax, and cotton baler using water pressure. With his arrangement of pistons and pumps, the English engineer managed to deliver more than two thousand times as much power to the device. Nowadays, diggers, wheel loaders, cranes, and forklift trucks all use hydraulics, as do the steering and braking mechanisms found in every car. With their cylinders and pistons, robust pipe connectors and hose couplings, they come into play wherever heavy loads are lifted or lowered. →



Robust connectors
are a Dicsa specialty

Daniel Carmen,
General Manager,
Distribuidora Internacional
Carmen, S.A.



“ Together with Dachser, we have created an extremely effective and efficient logistics structure

This makes for a huge number of potential industry users all around the world, as recognized by cousins Irene and Daniel Carmen. Thirty-six years after starting out as a regional supplier for the Iberian market, today the company is one of the world's leading distributors and manufacturers of high-quality stainless steel fittings, hydraulic and pneumatic lines, and the corresponding connections and components. Daniel Carmen is Dicsa's General Manager and Irene Carmen its President. Today, Dicsa operates production and distribution centers all around the globe—in Spain, Italy, Germany, and China. Covering an area of 20,000 square meters, the warehouse in Zaragoza alone has space for over 65,000 items and therefore boasts one of the most complete and widest ranging inventories in Europe. From its headquarters in Zaragoza, the central province of Aragón in northern Spain, Dicsa (short for Distribuidora Internacional Carmen, S.A.) now supplies over 4,000 customers across five continents.

Of course anyone so deeply rooted in the world of hydraulics is bound to have a good sense of how well-connected systems can significantly increase power and performance. At Dicsa, this is reflected in the company's motto: growing together. “One of our growth drivers is international exports. We achieved an increase of approximately 30 percent in this market last year,” explains General Manager Daniel Carmen. He speaks about Dicsa and its history with enthusiasm and passion, and at a speed that would give the company's impressive delivery targets a run for their money.

Door to door in 24 hours

The business idea that shaped the foundations of Dicsa is just as relevant today as it was over three decades ago: “We set up central warehouses stocked with hydraulic and pneumatic products to supply to the small manufacturing companies that need constant access to a wide range of articles but do not want to, or are unable to, maintain such a broad inventory themselves. Dicsa makes these products available to them within 24 hours. Our customers don't need to speak to four or five logistics partners or eight to ten manufacturers to get hold of what they need; they can arrange everything through us. They can place their orders over the phone or online and will receive the parts the next day,” says Irene Carmen, summing up the distribution concept.

To help guarantee this 24-hour or sometimes even 12-hour turnaround time, Dicsa found a reliable logistics partner

INFO

MIKADO

Developed by Dachser, warehouse management software Mikado supports and manages all processes in the warehouse centers. In addition, Mikado transfers all order, movement, and inventory data to the EDI Center, where it is converted and transmitted to the Domino transport system (also developed by Dachser) and to customer systems. The data is scanned at the interface points and exchanged wirelessly between the system and the mobile data entry (MDE) devices. Mikado also uses RFID technology wherever relevant for the processes.

early on in Azkar, the predecessor to Dachser Iberia. “It worked brilliantly from the word go,” says Moisés Beltrán, General Manager Aragón, Rioja & Navarra at Dachser Iberia, who has looked after Dicsa for many years in Zaragoza.

With its growing internationalization, Dicsa eventually sought to collaborate with an accomplished European logistics company based in the middle of the continent. “The integration of Iberian logistics provider Azkar into the Dachser family, which started in 2013 and completed in 2017, came at a great time with new lines, more frequencies and a more powerful European network,” Irene Carmen remembers.

This is how the collaboration between Dicsa and Dachser's Karlsruhe logistics center ultimately came about. Back then, Dicsa was particularly interested in storing, picking, and distributing fast-moving products for its German customers. “That's why, in 2016, we set up a daily groupage round trip line from Zaragoza to the Dachser warehouse in Malsch, near Karlsruhe,” says Bernd Großmann, General Manager European Logistics in Malsch. His branch took over platform services for Spain back in 2007, which meant he was involved in the discussions with Dicsa from an early stage. Later on, in 2017 we set up a new daily groupage line from Zaragoza to Italy. This way we were able to reduce the transit time to Dicsa's Headquarters in Modena (Italy) by facilitating their growth through improved speed and quality.

Short distances within Europe

It wasn't long before this paid off. Customers in and around Germany were intrigued by the new developments and Dicsa started receiving the first inquiries about its technical products. Soon after, Dicsa began operating a warehouse at Dachser's Karlsruhe logistics center. "Opening this new warehouse has improved our dispatch times in Central and Eastern Europe and enabled us to meet customer demand for a 24-hour turnaround time," explains Florian Steinbrunn, Contract Logistics Manager at Dachser's Karlsruhe logistics center.

"The fact that we're both family companies with similar philosophies has led to a strong partnership that satisfies the growth targets on either side," says Daniel Carmen. "Both we and Dachser are focused on setting high quality standards, reducing transport times, and getting products to Dicsa customers as quickly as possible. All while keeping our processes as transparent as we can."

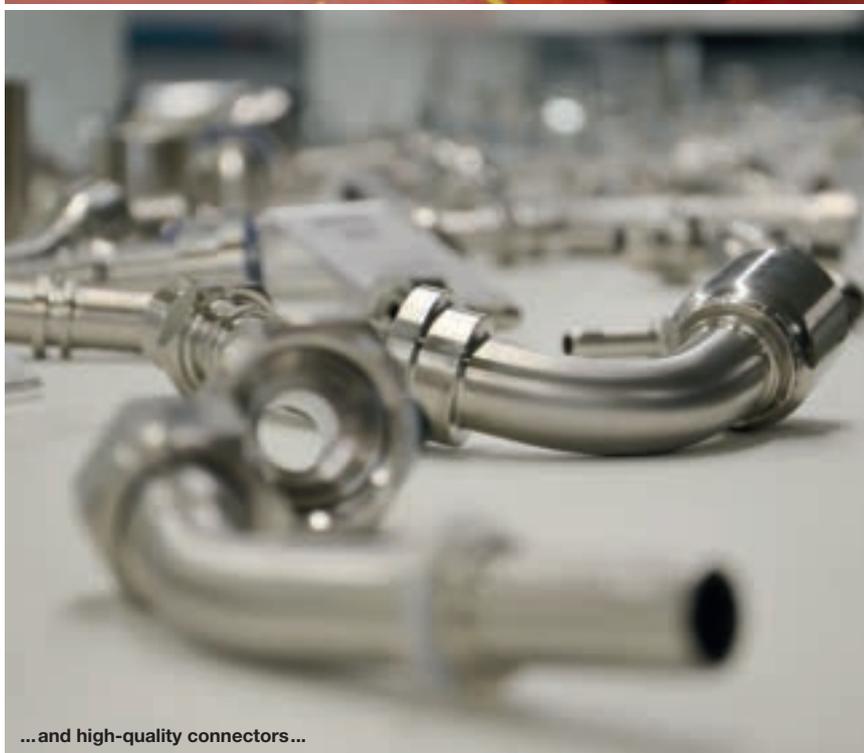
This is achieved by a thorough, in-depth analysis of all the relevant parameters, such as shipment data, picking quantities, and storage capacities. Highly detailed process descriptions are also a key component to the success of any joint operation. "A relationship built on trust, such as that between Dicsa and Dachser, is essential," Steinbrunn stresses. Hence the installation of a specially developed EDI interface within the very first year of the cooperation that allows Dicsa to access Dachser's own warehouse management system, Mikado. "This marked the start of a flourishing, long-term cooperation," says Steinbrunn. The five-year contract between Dicsa and Dachser's contract logistics division in Karlsruhe points the way ahead.

A comprehensive contract logistics package

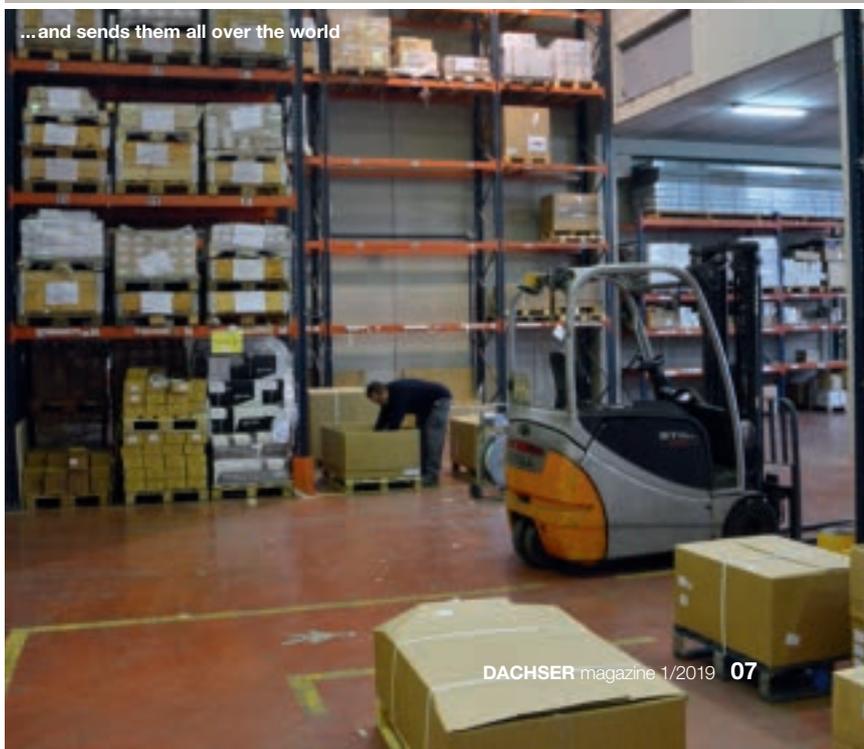
Since then, Dachser has taken care of distribution for Dicsa's customers in Germany, the neighboring countries, and Scandinavia. This also includes a cross-docking process, whereby some of the goods are delivered from Zaragoza to Karlsruhe, where they are then consolidated with products already available at the site before being shipped on to the end customer. Furthermore, from its Karlsruhe branch, Dachser Air & Sea Logistics handles the arrival of containers from the production and distribution centers in China. Dachser transports them from Hamburg or Bremerhaven to the warehouse in Karlsruhe. "Together with Dachser, we have created an extremely effective and efficient logistics structure," says Daniel →



In Zaragoza, Dicsa manufactures hydraulic components...



...and high-quality connectors...



...and sends them all over the world



Dachser offers the highest warehousing standards—right around the world

Carmen. “The cooperation allows us to expand our optimum sphere of activity in road transport beyond Spain and into Western and Central Europe. We now have a strong setup here and are able to cover 80 percent of our potential European market with a reliable and easily plannable service.”

Given that this approach is working so well in Europe, the plan now is to roll it out in North America, where Dicsa is looking to strengthen its market position and increase its visibility. “We have reached a point where we now want to replicate our model around the world, starting with the US,” Daniel Carmen explains. “We plan to proceed gradually to begin with and see whether there is scope to develop Pan-American business operations. In order to do this, besides setting up a branch office in the US, we have also established a sales agency in Argentina.”

Dicsa does not have to dispense with tried-and-true systems and processes in its efforts to tap into new markets. “Thanks especially to the universal IT systems, above all the Mikado warehouse management software, we are always on hand to support our customers with their plans for expansion and internationalization and to help them access new markets with ease,” says Alexander Tonn, Managing Director European Logistics Germany and Corporate Director, Contract Logistics at Dachser.

Perfectly mirrored processes

Before Dicsa could get the ball rolling in the US, it had to make sure its products would be available quickly. At a meeting between the relevant Dicsa representatives and Dachser’s contract logistics experts, Dicsa sounded out the possibility of entering the US market in stages. “It didn’t take long for us to come to a decision after the meeting. Everything moved pretty quickly after that,” Daniel Carmen says. Thorsten Schönwetter, Director of Logistics Product Dachser USA, had already spoken about the Dachser warehouses in Atlanta and Chicago. Together with his Karlsruhe colleague Florian Steinbrunn, he was able to demonstrate how the processes and EDI connection already established for Dicsa could be mirrored one-to-one from Europe to the US in just a short space of time, thanks to Mikado. “We can access the stable IT interfaces from Europe, which, in turn, lets us create a high level of process stability in the US,” Schönwetter says.

“We were immediately on board with this concept,” explains Daniel Carmen. Integral parts of the planning were even finalized during the meeting. In close collaboration with Dicsa’s logistics experts, the processes and warehouse logistics were subsequently synchronized on both sides of the Atlantic.

A new market in just four months

“In September 2018, just four months later, we were already shipping the first Dicsa products from the Dachser warehouse in Atlanta,” Daniel Carmen reports. “Thanks to the system environment we were already familiar with



Tried-and-true cooperation: Dicsa’s heads Daniel (l) and Irene Carmen with Moisés Beltrán (r), Dachser Iberia

from Europe, we can now gain essential experience in this new, important market.” And it wasn’t long after the US business was up and running that the enterprising cousins set their sights on their next destination: China. After all, machinery, plant, and automotive engineering is booming in the Far Eastern country. For Daniel Carmen, this makes for a perfect playing field for all kinds of hydraulics and fittings. “We always aim to give our customers exactly what they need. Regardless of where in the world they are.” We couldn’t have put it better ourselves. M. Schick

Contract logistics is the ideal logistics solution. At Dachser, all of the relevant logistics functions are aligned with the customers’ supply chain. This includes all logistics services. For instance, transport/freight forwarding, cargo handling, and storage alongside targeted IT support, quality assurance, consulting, and project planning right down to countless sector-specific value-added services.

PROFILE



DICSA

is one of the world’s leading manufacturers of stainless steel fittings and a key distributor of hydraulic connectors, hydraulic and pneumatic components, and flooring. Founded in 1983 and based in the Spanish city of Zaragoza, the family company employs around 180 members of staff, has one of the largest and most diverse inventories of its kind in Europe, and delivers to over 100 countries across five continents. In 2018, Dicsa recorded sales of over EUR 50 million.

www.dicsaes.com

A MATTER OF TIME



The message from Texas:
Time is relative

Keeping time

TICKING TO ETERNITY

In the heart of Texas, the Clock of the Long Now is set to slow down the sense of time—thanks to indestructible mechanisms that should, with a bit of goodwill, last for the next 10,000 years.

All in good time: a clock that ticks only once a year can have a lifetime of 10,000 years. That's precisely what a group of scientists, engineers, designers, and philosophers set out to achieve 20 years ago when they embarked on developing a gigantic clock designed to keep time for an eternity. Now it's their time to shine. A few months ago, work to install their timing mechanism—the Clock of the Long Now—began deep in the heart of the Sierra Diablo Mountains in west Texas. Standing 150 meters tall, the clock is the brainchild of Danny Hillis, co-founder of the innovation and technology company Applied Invention and of the nonprofit Long Now Foundation. Amazon founder Jeff Bezos is also involved in the project: as well as providing sponsorship, he owns the site where the mechanism is being built.

“There are a number of strategies required to allow something to last for 10,000 years, and the only things that last for this timescale are underground,” says industrial designer Alexander Rose, the Long Now Foundation's executive director and project manager for the clock.

The construction team has already begun excavating a massive mountain cave to house the mechanism, which will be built in sections that will be lowered into the deep shaft individually and then meticulously built from the ground up.

But what's the point to it all? Will humans even live for another 10,000 years to see the clock keep time? Rose is optimistic that we can survive this kind of timescale: “We're a pretty tenacious species,” he says. “The discussion is not really about whether we are going to survive, but how we are going to survive. The point of the clock is to cause people to reflect on that.”

Leading logistics exhibition

NETWORKING

Dachser will be presenting its portfolio of services at a 600-square-meter booth in Hall B6 at the 2019 transport logistic exhibition in Munich, which takes place June 4–7.

Dachser's exhibition team comprises employees from all corners of the company's global network, giving this year's booth an international flair. The new booth design reflects the exhibition's connectivity theme and showcases how and where the family company's logistics services can create real added value for its customers—through face-to-face meetings, electronic displays, or through informative talks and presentations held on the booth's stage.

“transport logistic promises to be a real highlight of the Dachser calendar again this year,” says Birgit Kastner-Simon, Corporate Director, Corporate Marketing at Dachser.

“For us, the exhibition is a great platform from which to present ourselves as a leading player on the world logistics stage.”

Setting the pace of global logistics

Every two years in Munich, the transport logistic exhibition's visitor list is a who's who of the international logistics world. As the leading logistics, mobility, IT, and supply chain management trade fair, it serves as a networking platform and sets the pace for worldwide logistics and transportation. Over 2,000 exhibitors from more than 60 countries will be attending the exhibition again this year.



Dachser is a big attraction at the exhibition

Spatial technology and infrastructure

CONNECTED PLANNING

Integrating digital
construction and spatial
planning technologies

Data integration is set to revolutionize the planning and construction of urban infrastructure. Thanks to seamless information exchange between objects anytime and anywhere.

How can we make roads and transport structures such as bridges safer? Construction and spatial planners have been grappling with this question for as long as they can remember. Up to now, the digital systems they've been using have either been insufficiently connected or incompatible, which is why the AEC (architecture, engineering, and construction) industry frequently loses critical data between the design, completion, and support stages of projects. Take a highway bridge as an example. Throughout its useable lifecycle, whenever project stakeholders require data from an earlier stage of the building and maintenance process, this information must often be manually recreated by planners, architects, and engineers. Not only can critical data get lost in this process, but the amount of time it takes and the risk of error can in some cases be huge.

Something that logistics networks—like the one Dachser operates—learned a long time ago and take for granted could now revolutionize the AEC industry: the art of holistic data integration and how to manage a number of otherwise unrelated interfaces within complex networks. Today's geographic information systems (GIS) are

now advanced enough to perform 3D modeling of geospatial contexts. This data can be aggregated with building information modeling (BIM) data, so that all the information relating to a construction process can be integrated and analyzed together in one environment.

Incorporating geospatial elements

Blending a layer of geospatial context—the GIS data—into BIM planning gives a new, holistic perspective to the planning, construction, and operation of roads, bridges, airports, and rail networks. What this means, for example, is that GIS can flag areas prone to flooding and give designers comprehensive information to help them select a structure's location, orientation, and even construction materials.

And there's more. In the future, connected, autonomous vehicles could supply real-time data from their surroundings—including details of road geometry such as lane closures, traffic diversions, or high-risk areas. This information could then help construction and infrastructure planners in designing future roads and in maintaining existing ones.



DACHSER CLINCHES PODIUM PLACES

In the most recent “Top 100 in Logistics” ranking, logistics provider Dachser moved up one place in the German market and is now the logistics company with the third-highest revenue. For land-based groupage transports, Dachser retained the number-one spot. Since 1995, the Fraunhofer Center for Applied Research on Supply Chain Services SCS, in conjunction with industry journal DVZ and the German Logistics Association (BVL), has been publishing an annual report on the top 100 logistics companies in Europe. This report serves as an important indicator of growth in the logistics industry. The revenue generated by the top 100 logistics companies rose to EUR 64.4 billion in 2017, up from EUR 60.6 billion in 2015. This indicates that the sector has grown by some 6.3 percent over the last few years.



INNOVATION IN PALLET HANDLING

In the world of logistics, packing aids play a supporting role—quite literally, when it comes to trackable load carriers such as pallets and grid boxes. Moving millions and millions of tons in goods every year calls for smooth packing-aid exchange arrangements that are transparent at every stage of the process. Now Dachser is stepping in with a pioneering innovation: MOPAS, an optimized packing-aid management system module.

MOPAS digitalizes the packing-aid exchange procedure. In the past, packaging material disparities were booked to branch accounts each month by means of physical documents. Now, MOPAS lets Dachser branches reconcile these disparities directly, paperlessly, and immediately. To this end, an authorized member of the terminal team digitally records any such disparities prior to outbound forwarding and sends this information straight to the driver's PEN (pallet exchange note). Reconciliation between branches occurs quickly and paperlessly. As the system is developed further, eventually customers will receive their chargeback receipts in digital format. MOPAS represents a systematic refinement of professional empties management at Dachser.

Dachser has a highly efficient management system for load carriers, and its pallet exchange solution provides a sustainable value-added service. Customers appreciate this effort because it ensures smooth, transparent handling and a secure supply of empties.

Solar power

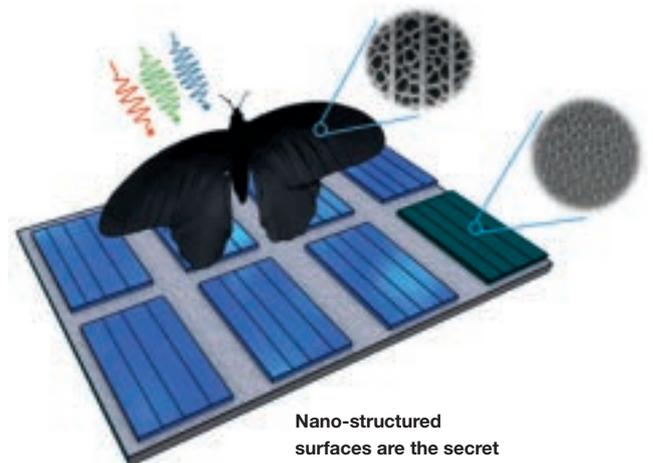
INSPIRED BY BUTTERFLIES

For energy efficiency, it pays to take a leaf out of nature's book. Photovoltaic systems inspired by butterfly wings can enhance light absorption by up to 200 percent.

Pachliopta aristolochiae is a species also known as the common rose—but don't let the name confuse you. After all, this butterfly has very little in common with an everyday flower. Researchers at the Karlsruhe Institute of Technology (KIT) used microspectroscopy to take a closer look at these creatures' brilliant black wings and discovered that their surfaces exhibit nanostructures, or nanoscale holes to be specific. In contrast to a smooth surface, these nanoholes in the wings greatly improve the butterfly's ability to absorb light over a wide spectrum.

Transferred to solar energy applications, this principle can open up a host of previously untapped opportunities. "The potential for optimizing photovoltaics with these structures is even greater than we first thought," says Dr. Hendrik Hölscher from the Institute of Microstructure Technology (IMT) at the KIT. Following on from their research, the scientists were able to recreate the nanostructures found on the butterfly wings in the silicon layer of a thin-film solar cell—with astonishing results: light absorption rates increased by up to 200 percent.

This has a number of economic benefits: The light-absorbing layer of silicon in the thin-film photovoltaic module is up to 1,000 times smoother than crystalline silicon solar cells, which significantly reduces raw-material requirements. Previously, thin-film surfaces offered lower absorption rates than crystalline cells, meaning they were mainly used for low-power applications like calculators or wristwatches. Now, the increase in light absorption from the butterfly-wing effect makes these thin-film cells economically viable for larger applications, too, such as rooftop photovoltaic systems. "This is especially appealing in Europe, where the light is often scattered and very rarely falls perpendicular to the solar cells," says Dr. Hölscher.



HARD TO UNDERSTAND

Six thousand languages, countless dialects: such diversity makes life difficult for people. And yet international communication today functions surprisingly well—something for which we have earlier trade flows to thank.

Ludwik Lejzer Zamenhof's extraordinary natural talent for languages can be traced back to his childhood. He grew up in a multicultural region in czarist Russia speaking Russian with his father, Yiddish with his mother, and Polish with his friends. He learned Greek, Latin, and English at school and studied German, French, and Hebrew on the side. Before turning 30, Zamenhof became fluent in his tenth language—one he devised himself.

When he first presented his language in 1887, he called it "International Language," but it soon became known as Esperanto, which translates as "one who hopes." Even if it never made it big on the world stage, his artificial language still attracts a group of avid followers to this day. As Zamenhof intended, they see Esperanto as a means to help reduce international conflicts. They believe that a shared language is the best way to avoid any dangerous misunderstandings. A lack of common speech is an issue that dates back as far as the Old Testament. According to the Bible's interpretation, this reality came about as a result of an ambitious construction project. Settlers in Babylon wanted to build a mighty tower that would serve as a bridge to heaven. But God was angered by their arrogance and created multiple languages so that the people could no longer understand one another, bringing the project to a halt.

Complex collaboration

Linguists are divided as to whether there was ever such thing as an "original" human language. But they do agree that the variety of languages has widened over the millennia. Some 6,000 different languages are spoken today, which makes international communication incredibly complicated. Just think about the European Union, for example, where reams of documents circulate in 24 official and working languages. Attempts to counteract this "Babylonian confusion of tongues" with artificial languages, however, have so far failed.

Instead, it is the economic superpowers in the history of civilization that have always set the tone. Their languages quite literally followed the flow of trade in that they were carried along rivers, later spreading along roads and across seas. Akkadian, for instance, emerged as an early lingua franca that was adopted in much of the ancient Near East.

Originating from the Mediterranean, Greek and Latin later enjoyed a similar status in Europe.

What is surprising, though, is how firmly established these lingua francas became. Latin, for example, retained its position as the common language among European scientists for centuries after the fall of the Western Roman Empire. Today, English dominates international communication in all areas—even though the British colonial empire, extensive as it was, has long since been consigned to the history books and US economic supremacy is beginning to crumble. People don't just learn a new foreign language simply because the geopolitical climate changes.

Digital solutions break down barriers

Computers have given rise to completely new lingua francas that go by names such as C++, Java, or Python. But these languages don't spread on account of geographic factors; instead, it's the specialist fields to which they belong and personal preferences that drive their proliferation. Still, with no universal programming language in sight, large IT projects fail time and again at complex interfaces that are required to translate data from one program into a language compatible with another program.

A pessimistic way to look at this hodgepodge of languages, whether human or digital, is that it reflects people's desire to distinguish themselves from others. Otherwise, and perhaps more convincingly, we can see it as a response to external circumstances. If we look back to former times, it made perfect sense for the Inuit to have a different vocabulary than natives of the Amazon. Likewise, web programmers need different commands than those used by software architects for self-driving cars.

In the digital age we live in today, we can be thankful that language differences rarely put up any real barriers anymore. Translation software is improving all the time, giving us access to documents from almost any corner of the world. And the technology already exists to deliver live, automated translations during video calls or on-site meetings. Digital assistants may function in a different way, but they are keeping Zamenhof's vision alive by breaking down communication barriers and, in turn, paving the way for mutual understanding.

S. Ermisch



There are some 300 concepts that every language has a word for, including: I, you, no, big, small, woman, man, eat, see, hear, sun, moon, water, fire, night, land.

A FINE SPRAY OF IDEAS

The company WAGNER Spraytech UK is growing, and its storage capacities need to keep pace. Dachser was there to help, promptly taking over warehousing on behalf of the Northamptonshire-based company and offering a full range of value-added services.

DIY (do-it-yourself) is a popular pastime. Valued at over EUR 720 billion, the European market for DIY products for home improvement, building, and the garden is booming. After the Germans, the British and French are some of the biggest DIY enthusiasts.

Products from the WAGNER Group can be found in almost every DIY store. With 1,600 employees all over the world, the Swiss company produces equipment and systems for applying coatings and paint that are used not only by DIY enthusiasts but also by tradespeople and industry. Its product portfolio ranges from paint spray systems for DIY home improvements to professional coating, painting, and cleaning sprayers and industrial coating systems.

Last year, WAGNER's UK business ran into a problem: at its warehouse in Guildford, just southwest of London, WAGNER Spraytech UK reached its capacity limits. "We needed to find a storage and logistics partner that could meet our requirements," says Ian Pocock, Customer Service Manager at WAGNER Spraytech UK. The company was already working closely with Dachser in Europe, so it was →

Spraying in the spring
with seasonal colors





Maciej Kwiek,
Business Development
Manager, Dachser UK

“ Our Mikado warehouse management software provides us with full transparency for all warehousing processes, which, in turn, allows WAGNER to serve its customers effectively

a logical decision to approach Dachser UK. Ultimately, WAGNER decided to outsource its warehousing activities directly to the logistics provider.

Demand-driven growth

The new warehouse location is on the outskirts of Northampton, an industrial town right in the heart of England about 100 kilometers north of London. It is here, on Thomas Dachser Way, that Dachser's UK country organization has been based since March 2014. Located on the Brackmills Industrial Estate, the branch has a 6,000 m² transit terminal and a 10,500 m² warehouse with 20,000 pallet spaces. Dachser invested some EUR 26 million in this state-of-the-art logistics facility.

The new building became necessary following the strong growth in imports and exports, contract logistics, and value-added services that Dachser's UK country organization has achieved since launching operations in 1975.

Thanks to the convenient location, daily direct lines have connected the logistics center to the global Dachser network from day one. It is just six kilometers from the M1 motorway, an important link in the UK's transport network that connects London with industrial regions in the north; Manchester, for example, is about 170 kilometers away.

“It calls for a great deal of trust and a bit of courage, too, for a company to outsource its warehousing activities and get to grips with new processes,” says Maciej Kwiek, Business Development Manager and Project Manager at Dachser, who is familiar with the challenges this kind of readjustment poses. WAGNER needed to adapt to the new environment as well, he continues: “The logistics managers from WAGNER and Dachser worked closely together, which was a huge help in ensuring everything ran smoothly.” Dachser's Customer Service Manager James Simmonds, Contract Logistics Manager Grant Ryan, and a team of other Dachser employees also supported the relocation.

Good preparation is everything

The biggest hurdle was the schedule to complete the move. “We had to clear out the warehouse in Guildford and relocate the whole inventory to Northampton while ensuring there was no disruption to our customer deliveries,” says Pocock. Their solution was to divide up the deliveries into products with long and short dispatch times and to group shipments from both locations.

“Moving is always a challenge by its very nature,” adds Kwiek. But in this case, both parties had made thorough plans in advance. Kwiek continues: “This is another good example of how important it is to be prepared, communicate transparently with the customer, and establish a proper schedule.” As a result, the move itself was a relatively quick and easy process.

Making sure all of WAGNER's requirements were communicated effectively to Dachser posed another challenge. To this end, WAGNER put together a file detailing its processes for each customer. It was important to tailor operations to the DIY sector right from the outset. “Our logistics provider's warehousing solution needs to cover a wide range of services,” says Pocock. “After all, the goods need to be prepared in line with the DIY sector's specific needs.”

On a typical day, various service providers transport containers with devices and equipment from the US and China directly from UK ports to Northampton. “Processing goods in accordance with specific requirements is where Dachser's value-added services come into their own,” Pocock explains. These include labeling the pallets, boxes, and individual products and unloading the incoming goods from the containers onto unmixed pallets to make sure everything is as it should be when the goods are handed over to the recipient.



DIY like a pro



A coat that's nice and even adds just the right touch

The orders are transmitted directly from the SAP system to Dachser Northampton via EDI. "There's a continuous stream of emails and phone calls to ensure that everything's running smoothly on both sides," says Pocock, explaining the daily proceedings. "Our British office is just 20 minutes away from Northampton, so we can respond quickly if any problems arise."

He continues: "Dachser inspects high-value goods on our behalf to make sure the products the manufacturers supply match our quality expectations. Of course that works only because we've had an excellent, trust-based relationship with Dachser right from the very start." Dachser also takes care of WAGNER's spare parts logistics, returns management, and deliveries to e-commerce retailers.

Dachser coordinates more than 270 different items for WAGNER, utilizing 3,500 pallet spaces. "Our Mikado warehouse management software provides us with full transparency for all warehousing processes, which, in turn, allows WAGNER to serve its customers effectively," says Kwiek. This also enables high volumes of outbound goods. "Here, we had to align our warehouse processes with the scheduled departure times to avoid risking any delayed deliveries to the DIY stores or retailers," says Kwiek.

Anyone who operates in the UK needs to think about the current political developments in addition to their day-to-day business. "With Brexit on the horizon, there's never a dull moment," says Kwiek with a hint of British humor. "We're responding to the developments, keeping in close contact with our customers." He's ready for what lies ahead,

as is Pocock: "In preparation for Brexit, we've increased inventory levels of our fast-moving products to give us a three- to four-month buffer." But nobody knows for sure what is going to happen. Kwiek adds: "Our outlook is very optimistic. Whatever happens, DIY will continue to be a highly promising market in the UK. And it's in turbulent times like these that a collaboration based on mutual trust, like our relationship with WAGNER, really pays off—for both partners."

A. Heintze

Norwegian engineer Erik Andreas Rotheim invented the spray can in 1927 while trying to find the best way to wax his skis. His invention was the technical basis for all other methods of spraying or dispensing fluids and semi-fluid substances.

PROFILE

The WAGNER Group

WAGNER is a leading manufacturer of high-tech systems and equipment for applying fluid systems and equipment for applying fluid coatings, powder coatings, paint, and other fluid materials to surfaces. Founded in 1947 by Josef WAGNER in Friedrichshafen, Germany, the company offers a product portfolio ranging from paint spray systems and professional coating, painting, and cleaning sprayers to complex industrial coating systems. WAGNER has been operating as WAGNER Spraytech in the UK since 1970, where it imports and distributes advanced spray technology systems.

www.wagnergroup.com



Motivated for a career in logistics

CAREERS
IN LOGISTICS

A RISING LOGISTICS STAR

Izabela Jurkowska started out as a transit terminal employee. Now she’s a trainee in food logistics management at Dachser’s Berlin-Schönefeld location. Not afraid of hard work, always eager to learn, and thirsty for knowledge—these are welcome qualities in the world of logistics.

You get out what you put in—that’s one way to describe Izabela Jurkowska’s career path. She joined Dachser in 2015 as a temporary worker on the night shift. At that time, the young woman with Polish roots had taken a break from college and was simply looking to try something new. And she quickly found that she enjoyed the work at the Dachser Logistikzentrum Berlin-Brandenburg in Schönefeld, a suburb of Berlin. “When I started, I had the classic task of scanning items, and wanted to prove I could do the job well,” Jurkowska recalls. “At first you never really know exactly what to expect. But I liked the work right away and so was happy to go the extra mile.” Her career at Dachser got off to a smooth start. Step by step, she got to know and appreciate the full diversity of the

logistics world. After four months of temp work, Jurkowska was offered a permanent position at Dachser. From then on she could work in all areas of the warehouse. The workers at Schönefeld ensure among other things that the supermarkets in Berlin and Brandenburg receive their chilled and non-chilled food items.

Recognizing potential

Jurkowska’s supervisors at Dachser were also pleased with her work. They quickly recognized the potential she offered their location and the Dachser network as a whole. After completing an orientation program at Head Office in Kempten, Jurkowska was sent to Italy in early 2018. There she provided support for the transformation of Papp Italia

There are two ways to advance your career: you either really achieve something or you pretend to have achieved something. My advice is to stick to the first method; there is much less competition.

Danny Kaye (1911–1987), actor and singer

“ I’ve had lots of opportunities for professional development and further learning

Izabela Jurkowska

into DACHSER Italy Food Logistics and trained her coworkers. “I know the warehouse processes really well and also speak fluent English. My boss thought that would make me a great fit for this assignment,” Jurkowska says. And he was right—in many ways: the roughly 50 Italian workers were thrilled with her, and she herself had “an unforgettable experience and the highlight of my career at Dachser so far.”

Even far from home, Jurkowska experienced the famous Dachser family feeling when working with her team or after quitting time. “Dachser appreciates its employees. If it’s not a good fit in one department, or if someone’s personal situation changes, the company helps them find the right solution,” she says. “It’s a win-win for all involved.”

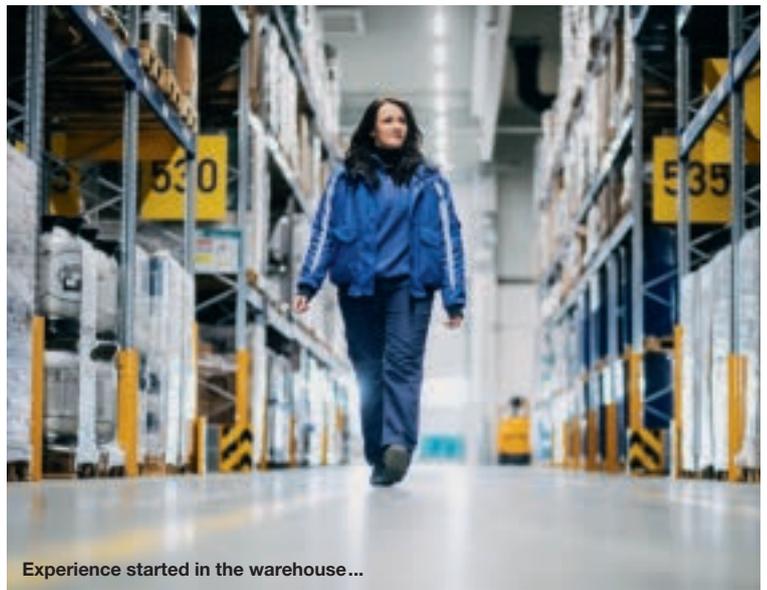
Keeping an eye on the big picture

Since October 2018, the former warehouse worker has been training in food logistics management at Dachser in Berlin-Schönefeld. Over the course of 18 months, Jurkowska is rotating through various departments—from QA to scheduling to the warehouse. Her linguistic and technical skills mean that she is often assigned to special projects away from her home branch of Schönefeld. For example, earlier this year she flew to Ireland to support and train workers at Johnston Logistics while they were being fully integrated into the Dachser network. True, Jurkowska’s background is in food logistics, while Johnston Logistics transports industrial goods; however, processes and systems are the same throughout the Dachser network, so her expertise could be put to good use in Ireland, too.

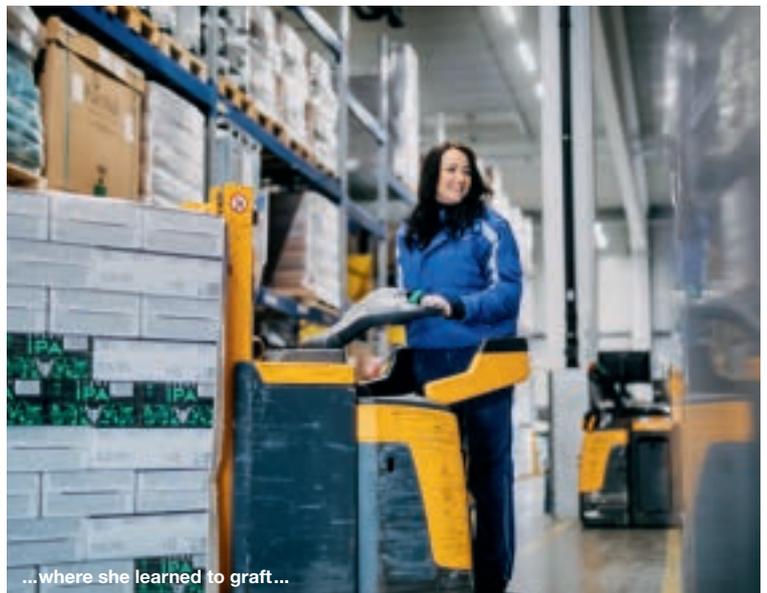
But that barely scratches the surface of what’s going on in the life of this rising logistics star: she spends her evenings taking an online course for her bachelor’s degree in logistics management “Dachser is supporting me in this, but of course after 40 hours of work and about 20 hours of studying each week, there’s not a lot of free time left over,” Jurkowska says. One of her main hobbies is taking care of her two ponies. “Even when I have a lot to do, my horses quickly help me switch off (from work and study) and decompress.”

Jurkowska says that all in all, her nearly four years in the Schönefeld branch have been positive: “I feel as though I’ve really found a home at Dachser. I’ve had lots of opportunities for professional development and further learning. Deciding all that time ago to try something new has definitely paid off for me.”

L. Becker



Experience started in the warehouse...



...where she learned to graft...



...and today she studies too



PURE ENERGY

Batteries for all kinds of applications including solar streetlights, emergency lighting, electric hedge trimmers, military radio, and breathing devices—manufactured in a French backwater. Founded as an independent company just six years ago, battery manufacturer ARTS Energy has established itself as a force to be reckoned with. This is also thanks to clever logistics.

Rue Ampère in Nersac in western France is nothing to write home about, at least in terms of looks. Named for the French mathematician and physicist André-Marie Ampère, the street keeps a low profile. A

moderate amount of greenery, well-kept dreariness, plenty of gray—a typical industrial street like a million others around the world. But a glance at the companies situated there shows that this street has something special. Take →



Logistics helps drive growth



Batteries for the world market

the resident of number 5, Soppec—one of the world’s leading specialists in the manufacture of marking spray paints. Five doors down is home to a technology that, in light of the increasingly controversial combustion engine, is really taking off: batteries.

The near future will see more and more cars powered by batteries, but batteries already feature in all kinds of products today. Electric hedge trimmers, for instance, or wind turbines or solar-powered lights. In this town of just 3,000 people in the Charente department, nearly 300 people work for ARTS Energy—a company that in 2013 was spun off from battery manufacturer Saft, in which mineral group Total holds a majority stake.

ARTS Energy supplies customers all over the world with rechargeable nickel and lithium-ion batteries, but generates the lion’s share of its revenue in the European market. Transporting the batteries has been the responsibility of Dachser’s Niort branch, situated to the north of La Rochelle, for the past four years.

Exclusive partnership

Collaboration between Dachser and ARTS Energy has evolved steadily. At the beginning, Dachser handled 20 percent of overland transport, delivering to customers in Austria, Belgium, the Czech Republic, Spain, and Poland. A year later, that number had grown to 50 percent. Today, Dachser handles all overland transport—in addition to the home market of France, this has mainly been to Germany, the UK, the Netherlands, and Spain. What’s more, following a test phase, Dachser became the exclusive partner for sea freight one year ago. From headquarters in Nersac, the goods are transported by truck to the port of Hamburg, and from there to the United States, Canada, Hong Kong, Australia, and Singapore. Thanks to Dachser Interlocking, this is a seamless process. And when time is tight, Dachser can also organize air freight services to get the goods to customers.

“In Dachser, ARTS Energy has found a partner that is always interested in improving its processes and the quality of its services. We are convinced that our collaboration will endure for many years to come,” says Anthony Mériet,

PROFILE



The history of ARTS Energy can be split into two periods: in 2013, the company began trading under its current name. Prior to that, the battery manufacturer was part of the French Saft Group, in which Total holds a majority stake. At its headquarters in Nersac in the west of France, ARTS Energy manufactures rechargeable batteries for a variety of technology sectors. Focal points include medical, professional electric tools, defense, air transport, and lighting systems.

www.arts-energy.com



Robots play a supporting role in production



Anthony Mériet,
head of logistics
at ARTS Energy

“ In Dachser, ARTS Energy has found a partner that is always interested in improving its processes and the quality of its services

head of logistics at ARTS Energy. Mériet also noted that a key factor is Dachser’s special appreciation for the needs of the customer. In addition, what won over the battery manufacturer in its collaboration with Dachser was the fast pace of delivery. Today, for instance, transports to Austria are made within two days—in the past it took twice as long for the goods to reach their destination. Delivery times have now also halved for transports to Hungary and Romania, which dovetails perfectly with the values of agility and technical excellence anchored in ARTS Energy’s corporate philosophy. What makes ARTS Energy special in the market is that it is the only company of its ilk that manufactures its products in Europe; the rest of the competition is based in Asia.

From a backwater to the whole world

At its site covering 17,000 square meters, ARTS Energy manufactures various types of rechargeable batteries and

works with companies including Panasonic, Sony, and Samsung. Today, 70 percent of revenue (EUR 38 million last year) comes from exports, and expansion in the North American market is at the top of the agenda for the coming weeks and months. At present, the battery specialists from Nersac are drawing 12 percent of revenue from the North American market. That number is set to rise in the coming years thanks to a joint venture with US-based company Amigo Tec.

And back on home turf in France, ARTS Energy has been involved in the Aerospace Valley competence center since the end of last year. Based in Toulouse, Bordeaux, and Montpellier, this technology cluster drives the development of such seemingly futuristic ideas as autonomous aerospace systems. The main thrust of the work is on motorization and transport—just one of many product areas in which a battery manufacturer such as ARTS Energy is in high demand.

G. Schreier

While dissecting a frog’s leg in 1780, Italian physician Luigi Galvani realized that contact with copper and iron caused it to twitch, inadvertently leading him to discover the electric current. The physician Alessandro Volta expanded on this discovery to invent the first electric battery in 1800.

(from left) Stefan Hohm, Dachser, Petra Seebauer, publisher of the trade magazine Logistik Heute, Hella Abidi, Andre Kranke, both Dachser, Svenja Schulze, German federal environment minister



Sustainable logistics

DACHSER RECEIVES NATIONAL AWARD

Dachser has established an emission-free delivery zone for groupage shipments in downtown Stuttgart. For that achievement it has been honored in a national German competition for sustainable urban logistics.

Downtown Stuttgart has a delivery area measuring four square kilometers where customers receive their groupage shipments totally emissions-free. This is done using a FUSO eCanter all-electric light truck, which delivers goods either directly to customers or brings them to the microhub operated by partner VeloCARRIER. There, pallets are unloaded and shipments transferred to electrically assisted cargo bikes. In the future, the all-electric 18-ton Daimler eActros will be integrated into operations. The electric trucks will be charged at Dachser's Kornwestheim branch to the north of Stuttgart, which—like all the logistics provider's branches in Germany—purchases 100 percent hydroelectric power.

A modular concept

Dachser Emission-Free Delivery can also be implemented in other city centers, with a modular toolbox providing the necessary instruments. This is reason enough for special recognition as part of the national German awards for sustainable urban logistics. Svenja Schulze, German federal environment minister, presented the award to

Stefan Hohm, Dachser's Corporate Director Corporate Solutions, Research & Development, at a ceremony in Berlin. "Sustainable solutions are an absolute must, including for heavy, palletized goods shipments in downtown areas. With its complete solution—which in Stuttgart combines elements such as city hubs, electrically assisted cargo bikes, electric trucks, plus IT-controlled goods groupage and route planning—Dachser is making inroads and setting an example in this market segment," said Dr. Petra Seebauer, publisher of the trade magazine Logistik Heute and managing director of EUREXPO, in her speech honoring the company.

But Dachser has no plans to simply rest on its laurels: "Dachser Emission-Free Delivery in Stuttgart marks a promising start for us in city logistics. But there is still a long road ahead of us—for one thing, we have to resolve issues concerning the availability of trucks with alternative powertrains," Hohm says. He went on to say that new, more sustainable city logistics calls for even closer collaboration among all stakeholders as well as the combination of multiple measures.



+++ INCREASED CAPACITY IN POLAND

+++ Dachser has increased its capacity in Poland and expanded its branches in Stryków and Poznań. In Stryków, near Łódź, alterations include the opening of a new transit terminal. This expansion more than doubles the location’s capacity. In the next phase, Dachser will invest in modernizing Stryków’s existing transit terminal and in constructing a modern office building with an area of nearly 2,500 square meters. In addition to the branch’s administrative staff, the building will also be home to the headquarters of Dachser Poland and its own customs clearance office. Construction is expected to be completed by early 2020. In the Poznań branch in western Poland, Dachser expanded its transit terminal by 2,600 square meters to 5,600 square meters. This investment doubles the size of the transit terminal and raises the number of loading bays from 26 to 51. +++

+++ TRUST IN THE UK MARKET +++ Dachser is building a new logistics center in Rochdale near Manchester. With an area of almost 5,200 square meters, the center is intended as a replacement for the existing distribution facility. Development of the 3.7 hectare (9.2 acre) site represents a EUR 16 million (GBP 14.4 million) investment by the company. +++



Top expertise in air freight

+++ NEW PHARMA CERTIFICATE FOR AIR FREIGHT +++ Dachser’s branch at Frankfurt airport has received the coveted IATA CEIV pharma certification for the global air freight transport of life science & healthcare products. Medications and other pharmaceutical products are frequently temperature-sensitive, urgent shipments, which need to be handled in compliance with a complex regulatory environment. Pursued through a lengthy process that began in 2017, this certification attests to Dachser’s top service and quality standards. +++



The new facility in Coimbra

+++ QUALITY LEAP IN PORTUGAL +++ Dachser is significantly expanding its capacity on the Iberian peninsula. In Coimbra in central Portugal, the company is almost tripling the branch’s floor space from 2,385 to some 6,300 square meters. The number of docking bays has risen to 37. With this investment, Dachser Iberia is strengthening its internationalization efforts and offering its customers an even broader spectrum of logistics services and industry solutions, for instance for the DIY sector and chemical industry. +++



+++ TOUYA IS THE NEW MANAGING DIRECTOR IN THE US +++ Vincent Touya started as Managing Director of Dachser USA on February 1, 2019. “The American market represents a significant development opportunity for Dachser. I look forward to growing the company’s logistics service offering in the US and facilitating US customers’ access to Dachser’s global logistics network,” Touya said. During his 30 years at Dachser, Touya has held several managerial positions. Most recently, he was responsible for the expansion of the air and sea freight business in France and North Africa. +++

CONNECTING EUROPE

Situated in the heart of Europe, the Czech Republic boasts a robust manufacturing industry largely based on exports. It's the perfect location for logistics to flourish.



The Vltava is more than just a river; some even call it the mother of all rivers. So it may come as no surprise that Czech composer Bedřich Smetana dedicated a symphonic poem to it. It's an age-old dream for the Vltava to become the river that more closely connects the network of European waterways. A potential albeit expensive way to create a solid link between the Czech Republic and the North and Baltic Seas would be to build canals. But this would require a connection between the Vltava and the Danube—a concept that has never made it off the drawing board.

Embarking on such a large-scale project to connect Hamburg with Prague would be a huge step for this country of 10.6 million people. As things stand, the country's extensive road network, covering over 130,000 kilometers, and its 10,000 kilometers of railroads provide the infrastructure required for goods transportation. In a reflection of how well connected the country is, the World Bank ranked the Czech Republic's infrastructure 22nd in the world in 2018. Its central location between Germany, Poland, Slovakia, and Austria makes the Czech Republic an ideal point of departure for the transport and logistics business. For →



An invitation to
build bridges:
the Vltava in Prague



The Dachser logistics center in Kladno



The Prague Astronomical Clock

this reason, the Czech Republic is one of the most desirable locations for foreign direct investment in Central and Eastern Europe. Other key factors in the country's favor include political stability, high growth rates, and its long-established industrial background.

Breaking into new markets

When the EU expanded to the east in 2004 and Dachser was looking to build up and expand its presence in Central and Eastern Europe, the focus was on the new member states of Poland, Hungary, Slovakia, and above all the Czech Republic. "We wanted to do our bit to strengthen trade between Germany as well as other Western European

countries and these markets," says Michael Schilling, COO Dachser Road Logistics.

Another factor was that Otis, a major Dachser customer, moved its production site to Břeclav in the Czech Republic at this time, so it was a logical step for Dachser to set up a new branch in the town, which is located close to the Austrian border. The logistics center is now a key site for contract logistics.

The largest branch in Dachser's Czech network is Kladno, located to the northwest of Prague. Its Hradec Králové location is situated to the east of the capital. Dachser also has operations in Brno, an industrial center in the southeast of the country; in České Budějovice, in the southwest; and in Ostrava, close to the Polish border. In Hradec Králové, Dachser recently moved its operations to a larger facility, where it now has three times as many loading bays and everything it needs for further expansion—say, in cross-docking activities—in this important industrial region.

Prague is home to an Air & Sea logistics branch. As the country's powerhouse, the capital generates one quarter of the gross domestic product. Although industry and manufacturing in the city are on the decline, Prague is the country's center of administration, services, and tourism. The key industrial locations are spread around Ostrava, Plzeň, and Brno.

Steady growth rates

Logistics has played a key role in helping the Czech Republic build its leading position in Central and Eastern Europe, a position shaped by the steady growth rates the country has enjoyed over the last five years. In the third quarter of

The Czech Republic has broken a number of records. When it comes to beer, it has been a world leader for years, not only for the variety (over 50 brands) and quality it offers, but also in terms of consumption. Statistics say the Czechs drink the most beer in the world: roughly 140 liters per capita each year. Germany comes a close second with annual consumption of about 130 liters per person.



Jan Pihar,
Managing Director
Dachser Czech Republic
European Logistics

“Most of our customers are B2B direct exporters who need a reliable partner for distribution logistics across all European countries

2017, GDP grew 4.7 percent in comparison with the same period the previous year. Current estimates put GDP growth at 3 percent in 2018, and economic performance is set to grow by another 2.5 percent in 2019 and by the same amount again in 2020.

Known as the Central Bohemian Region, the affluent suburbs around Prague are the center of the country’s automotive industry, a trade that dates back over one hundred years and still enjoys the same national importance today. Around 1.4 million cars roll off the production line each year, which, according to the AutoSAP association, makes the Czech Republic the fifth largest car manufacturer in Europe and 17th largest in the world. As a direct result, business is booming for suppliers of the automotive industry, for example in the metal processing and plastics production industry. Engineering has traditionally held a strong position in the Czech economy, but the country also enjoys success with power plant equipment, rail vehicles, and machine tools in foreign markets.

In 2017, the total value of goods imported was EUR 144.2 billion, while goods exported totaled EUR 161.2 billion. The Czech Republic’s most significant trading partner in 2017 was Germany with a 32.8 percent share in exports and a 29.8 percent share in imports. Slovakia accounts for the second largest export share with 7.8 percent, followed by Poland with 6.1 percent. Poland is the second largest importer with

a 9.1 percent share, and China the third with 7.4 percent. “Most of our customers are B2B direct exporters who need a reliable partner for distribution logistics across all European countries. Our 57 direct export groupage lines to 13 countries put us among the market leaders in this type of transport,” says Jan Pihar, Managing Director Dachser Czech Republic European Logistics.

Continuously improving quality

The rate at which export volumes are increasing in the country is having a proportionate impact on Dachser Czech Republic’s figures. “Over the past ten years, we’ve put a lot of effort into expanding our service portfolio. Throughout this time, we’ve been aiming for organic growth at a sustainable pace,” Pihar explains. “We lead the Czech market on quality, an area in which we enjoy an excellent reputation among our customers.”

The country organization offers this high level of quality for a wide range of logistics services, ranging from transport and cargo handling to storage and value-added services. A team of contract logistics specialists also offers expertise in supply chain optimization, procurement, just-in-time and just-in-sequence deliveries, sourcing, and professional packaging. What’s more, Dachser Czech Republic is setting up global supply chains through Interlocking, which sees European logistics services work seamlessly together with air and sea freight operations.

Recently, the chemical industry has become a promising customer. “We have a project manager who develops specific solutions for chemical customers as part of the Dachser Chem-Logistics corporate solution—drawing on our network’s high standards for dangerous-goods handling. Each branch is now in a position to handle dangerous goods,” Pihar explains. “We use specially equipped trucks, we provide our staff with regular training, and we constantly monitor compliance with our demanding quality standards. In recognition of this, we received the Czech Chemical Industry Association’s Responsible Care certificate,” he adds.

Pihar looks to the future with great optimism, despite—or maybe in light of—the major challenges it brings. Alongside expanding current branches, tackling the lack of qualified personnel, automation, and digitalization are top of his agenda. “We love being able to shape our own future. We’re romantics as well as realists in that respect,” Pihar says.

K. Fink

PERSONAL FILE

Jan Pihar took over as the new Managing Director of Dachser Czech Republic in January 2019. He succeeds Petr Kozel. Jan Pihar joined the company in 2004 and became head of the strategic branch in Kladno in 2008.

PROFILE

Czech Republic
Area: 78,867 km²
Population: 10.6 million (2018)
Capital: Prague
Currency: Czech koruna
GDP: USD 244.5 billion (2018, estimated)

BERNHARD SIMON SPEAKS WITH ... PROFESSOR CHRISTIAN KILLE

Where is the global economy heading? And what does this mean for logistics? Dachser CEO Bernhard Simon talks to Professor Christian Kille about the importance of global logistics networks in turbulent times.

Mr. Simon, the World Trade Organization (WTO) is painting an ever-bleaker picture of expectations for global economic growth. Are you feeling the effects of this at Dachser?

Bernhard Simon: We can feel that the economy's cooling down a bit, yes. Whether this is an early warning sign for a bigger downturn is hard to say. It's normal to see demand fluctuate in the logistics business, but we're not in a major slump or anything like that. Still, there has been a slight decline in air freight volumes. Some experts see this as a possible early indicator of economic change.

Prof. Christian Kille: A slight drop in volumes certainly wouldn't be the end of the world for the industry. Given the chronic capacity bottlenecks, this would be an opportunity to take a deep breath and have a break from always having to put out fires in fully overheated markets. It would

free everyone up to finally devote more attention to urgent questions concerning strategy and innovation.

B. Simon: At Dachser, we believe in preventing "overheating." We make a point of managing our volumes in a specific corridor defined by quality KPIs.

Where do you see the biggest threats to the global economy?

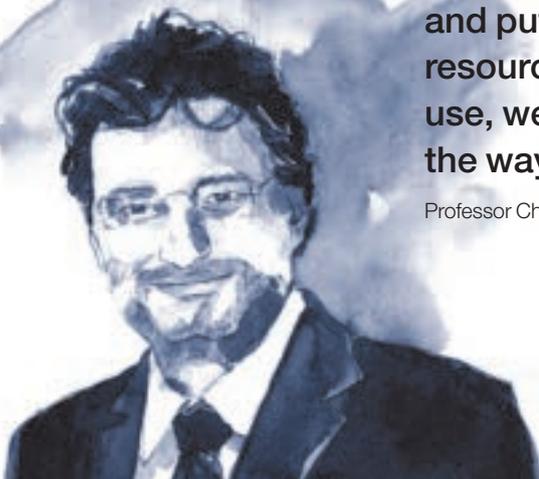
Prof. C. Kille: At the moment, the sword of Damocles is hanging over the Chinese economy. If something were to go seriously wrong over there, we'd be sure to feel a knock-on effect in Europe. But China's such a successful country that what counts as a recession there would still be equivalent to the growth we've just seen in Europe—and indeed were grateful for. Even though trade disputes between China and the US are a big cause for concern, their impact has actually been quite positive for Germany and Europe. There's a saying that when two dogs fight over a bone, a third runs away with it. But these power games between the world's two largest economies are bound to be problematic in the long term. After all, the global economy is a tightly connected system in which everything is dependent on everything else.

B. Simon: It's still the constantly fluctuating exchange rates that pose the biggest risk. Because, at the end of the day, these determine what customers pay for their products. We saw what effect the lack of a fixed exchange rate can have in 2015, when unpegging the Swiss franc from the euro caused Swiss exports to slump. Other artificial cost drivers, like Brexit for instance, affect trade flows, too, but without threatening their very existence. That's why, even against a backdrop of pessimistic outlooks and political noise, we keep calm and ensure we remain flexible; two things we've always been good at. This way, we can adapt our operations to reflect changing markets, ideally on a local level as well.

Prof. C. Kille: Wolfgang Lehmacher, Head of Supply Chain and Transport Industry with the World Economic Forum Geneva, recently brought the term "regional global-

“ If we want to boost our efficiency and put limited resources to better use, we need to change the way we think

Professor Christian Kille





People and networks set the pace of global logistics

ization” into play. Strong growth regions such as China or India are no longer generating their growth through exports alone; they need many of their domestic products for their own markets. That’s why it’s also important for a global logistics provider to be present in growth regions where completely new markets could emerge. I think this gives a real advantage to family companies like Dachser that operate all over the world. Thinking globally and acting locally, with a true local presence, are approaches that foster and complement each other.

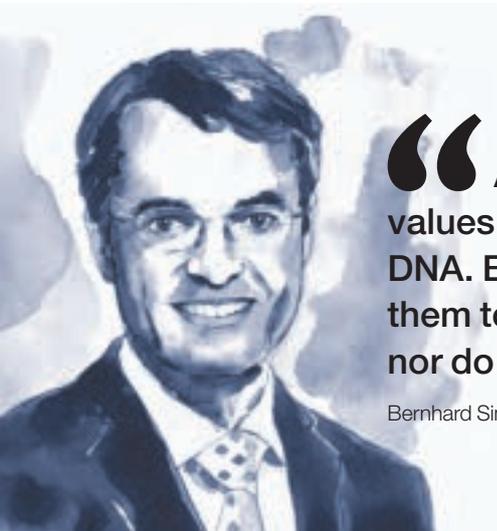
In times of change and uncertainty, how important is it to have a core set of corporate values?

B. Simon: A clear focus on values is part of Dachser’s DNA. But we can’t use them to change the world, nor do we want to. And they’re certainly not intended to replace official policy. Our focus needs to be on doing good business and making ourselves attractive to customers and our

30,000 employees. And that holds true everywhere—here in Germany, in Europe, or in China, India, or the US. The strategic approach we pursue is based on solid ethics and values. But we don’t see it as our duty to follow ideological lines. Our aim is to unite people, and for them to bring the quality and reliability to logistics that our customers and we ourselves as a global logistics provider expect.

Prof. C. Kille: I think that’s a great aspiration. You hear logistics people moaning all the time about the “difficult environment” they’re operating in. But, if you ask me, that’s why it’s all the more important to keep reminding employees that they work for a company they can be proud of.

B. Simon: Companies aren’t successful because they’re the best at complaining; they’re successful because they know how to make the best out of the situation they’re in and how to build up innovative strength. Challenging circumstances inspire quality and development. Employees have every right to expect a working environment that →



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makes them feel secure and gives them direction. To make that happen, you need a set of values in place by which the company lives and breathes.

Prof. C. Kille: And, if you look at the situation objectively, even bleak economic prospects are no reason for the industry to despair. Logistics comprises a huge range of services that are essential for keeping large parts of our complex, interconnected economy working. That’s why on the whole, prospects for the industry are and will remain good, and the path ahead secure. Even in turbulent times.

What role does Dachser play in expanding logistics networks and how does it respond to necessary changes?

B. Simon: We need to ensure high levels of quality and reliability in the services we provide, and respond to the constant stream of new challenges. We have a solution-driven mindset embedded in our DNA. That way, we’re always ready to tackle whatever comes at us, rather than having to make random decisions on the fly. This is something that all members of the Dachser network worldwide understand and accept. At the same time, we have to keep aligning our networks with new realities so they can keep pace with innovation. For us, this also means rethinking our tried-and-true ways of doing things, examining them critically if necessary, and then updating them if we need to.

Prof. C. Kille: This works best if a long-standing and experienced management team is in place to ensure continuity. It creates a sense of stability that people identify with. Changes, especially disruptive ones, unsettle and in some cases even scare people. That’s why I think it’s very helpful to have a value-based framework in place, something that comes about naturally in companies with a long-standing management team. This creates a safe environment for people to move forward and change lanes from time to time, but where they don’t lose their bearings or sight of their goals.

B. Simon: Such a framework is determined by network standards, which should ideally apply worldwide. These are indispensable for ensuring seamless communication and perfect understanding. Dachser’s own Mikado warehouse management system is a prime example. It works in

the same way all over the world, ensuring the continuous and highly transparent flow of goods and data. As a result, we have uniform processes in place, which significantly reduce the likelihood of errors. They also greatly improve the speed of workflows, developments, innovations, and their implementation.

Prof. C. Kille: Ideally, we would have complete transparency all along the supply chain. But we’re a still long way from that as it would require everyone involved to lay all their cards on the table. And who does that?!

B. Simon: The most important information comes from customers and their data determines our entire approach. Data protection is, of course, extremely important here and puts strict limits on complete transparency—rightly so. But if business transactions were anonymized and stored as synthetic data in a cloud, big data and predictive data analysis could really help us. In the same way as GPS navigation systems deliver real-time traffic information, this approach would give us insights into capacity management, something that would benefit us all. But that’s still a long way off.

PERSONAL FILE

Professor Christian Kille

heads the retail logistics and operations management degree programs at the University of Applied Sciences Würzburg-Schweinfurt. In addition to his teaching activities at the university and its MBA program, he has been a visiting lecturer at the Technical University of Munich (TUM) since 2010 and gives guest lectures for the Transport & Logistics master’s program at TUM Asia in Singapore and for the German Academic Exchange Service (DAAD) at Tsinghua University in Beijing. Professor Kille has been on the jury for the Logistics Hall of Fame since 2013.

Bernhard Simon

believes in intercultural project teams that work together across borders to always find the right solutions for the network—something he counts on especially in times of change. He describes his recipe for success thus: “We have to show an interest in each other and take joy in working together to create value for the company. That’s how we can achieve great things.”

CREATING A BUZZ

Nature is a true logistics professional. Just look at a beehive: you have top-notch productivity, perfect organization, network communication, warehousing with swarm intelligence, and complex supply and procurement chains—all in one place. Yet these insects, models of efficiency though they may be, are in trouble around the world. Scientists warn of an approaching bee extinction, the consequences of which would be catastrophic: up to 80 percent of all food crops are pollinated by bees. Currently, Dachser is establishing bee colonies at Head Office in Kempten as part of a sustainability project. Bee-friendly plants are already going into the ground.

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