

# In**MOTION**

Freight Forwarding - Customer Magazine

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## FEATURE TOPICS

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LOGISTICS 4.0  
A DIGITAL EVOLUTION

## CSR

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HELPING CUSTOMERS  
MAP CARBON EMISSIONS  
ACROSS THE ENTIRE  
SUPPLY CHAIN

Dear Readers,

For this edition of InMotion, we are emphasising an area of increasing importance to our customers: digitalisation and Logistics 4.0. We start by introducing Industry 4.0 (page 6). Then we describe how Logistics 4.0 is transforming our business (page 7). For this, we were lucky enough to be able to interview Sascha Schmel, the Managing Director of the VDMA Materials Handling and Intralogistics Sector Association, as he shares his expertise with us. We also look at Big Data and Cybersecurity (page 10). These are topical issues for all business as evidenced by the recent Equifax breach, and for logistics in particular as seen in the Maersk attack last summer. For this, we had the good fortune to be able to interview Claus Herbolzheimer from the management consulting firm Oliver Wyman, as well as three IT experts from within our company.

As you will read, GEODIS | Freight Forwarding takes cybersecurity very seriously – we are extremely well protected and proactive in this area. And we have just informed all of our customers that our booking systems will soon be entirely digital. This is an important and inevitable change, and the benefits are clear. Digitalisation is faster, increases accuracy and is much more transparent. We encourage all of our customers to join us as we transition.

Digitalisation is also impacting customer expectations, driven by the buying behaviour of ‘New Millennials’. At a recent meeting in China, I was impressed by the discussions about how eCommerce in the private sphere is setting a high bar for immediate delivery in the business arena. This edition of InMotion also looks at the impact of eCommerce on a growing logistics trend in Southeast Asia: cross-border trucking (pages 22).

Other articles include descriptions of some interesting customer projects (pages 16) as well as a report about our most recent customer satisfaction survey (page 16). Satisfaction remains high at 87%, and our customers seem to be happy with our account management and strong communication. However, there is also room to improve in areas such as complaint and invoice handling. We now have improvement programs in place for both of these issues – and both include digitalisation as part of the solution.

We will keep improving our services and adapting our approach to offer the best possible services to our customers across the globe. I wish you a joyous festive season and happiness throughout the coming year.

Sincerely,  
**Kim Pedersen**  
 Executive Vice President



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## CONTENT HIGHLIGHTS



# GEODIS MANAGES A LARGE DISTRIBUTION CENTRE FOR BMW

GEODIS HAS BEEN CHOSEN TO PERFORM LOGISTICS FOR BMW'S LARGEST REGIONAL PARTS DISTRIBUTION CENTRE OUTSIDE OF GERMANY. THE NEW, 50,000 SQM SITE OPENED IN ANSEONG, SOUTH KOREA (70 KILOMETRES SOUTH OF SEOUL) IN APRIL 2017, AND PROVIDES KOREA'S BMW VEHICLE OWNERS WITH TIMELY AUTO PARTS DELIVERY.

The centre – including a main warehouse, two warehouses for inflammables and explosives, a welcome house and a security post – is within two hours' drive from Incheon International Airport (airfreight inbound). Ocean freight arrives at the port of Busan. The centre is also close to highways, which is expected to shorten delivery time.

"We were chosen for our automotive and warehousing expertise, and our flexible logistics solutions for the launch of the Anseong centre," says Automotive Market Line Director Mark Ellis. "A dedicated GEODIS team of 74 full-time employees now manages over one million order lines annually, handling auto parts deliveries across South Korea."



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## UNIFIED TAX SYSTEM IN INDIA



### A UNIFIED TAX SYSTEM ACROSS THE COUNTRY

On July 1 2017, India rolled out its single biggest tax reform by implementing a Goods and Services Tax (GST) across the country. GST eliminates multiple taxes and helps establish the concept of a common market with one tax. The unified tax system is set to change the logistics landscape in the country. Companies that previously designed their supply chain based on tax efficiencies can now move to a much more cost efficient, demand-based hub-and-spoke model. This will reduce logistics costs in India.

### EFFICIENCIES THROUGH WAREHOUSE CONSOLIDATION

"India has 29 states and 7 union territories, each of which used to have its own tax structure," explains George Varghese, Managing Director India Subcontinent. "This meant that large companies would often have multiple warehouses across the country to ensure tax efficiency. Now, they can gain cost efficiencies by consolidating warehouses in one or two locations. They can then use these warehouses as hubs for their shipments, made even easier due to the fact

that bottlenecks for domestic distribution will disappear."

### A SHIFT TO COMPLETE END-TO-END SOLUTIONS

These changes also mean a change in the way GEODIS | Freight Forwarding will offer its solutions in India. Previously, the focus was largely on freight forwarding products such as air and ocean freight. With the change in the landscape GEODIS is well positioned to offer complete end-to-end solutions including key specialised services such as customs and local distribution. The growth in eCommerce is also driving domestic airfreight and distribution as the market sees a rise in the need for same day and next day deliveries.

For more info on the tax reform you can contact our expert George Varghese.



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# INDUSTRY 4.0

## A DIGITAL TRANSFORMATION



### FAR-REACHING IMPLICATIONS

The term Industry 4.0 is heard a lot, and may have as many definitions as the number of people who use the expression. At its core, however, Industry 4.0 is a kind of industrial revolution spurred on by automation and Big Data. Its influence is likely to be far-reaching, affecting services and business models, productivity lifecycles, as well as socio-economic factors such as education and skills.

### CONNECTING MACHINES, SYSTEMS...AND AI

Industry 4.0 is the connection of machines and systems that creates intelligent networks along the value chain. Most experts agree that production will eventually become a set of interlinked ecosystems, involving increased interoperability, transparency, and decentralised decision-making, with the Internet of Things massively increasing complexity. Imagine the disappearance of individual factories as boundaries disappear, replaced by completely interconnected

facilities spread across geographical regions. Now imagine these Industry 4.0 factories that start to gain a type of self-awareness through Artificial Intelligence to increase performance.

### CHALLENGES AND RISKS

One of the biggest advantages of these systems will be their ability to fix problems once they occur – using AI to learn as they go – as well as to proactively predict when things are about to go wrong. Of course, new technologies bring new challenges and risks. The most obvious is security, as closed systems become more open and interconnected. People skills will also need to keep up, as many jobs evaporate due to increased automation. We are already seeing a backlash among drivers whose jobs are threatened by self-driving trucks.

Clearly, Industry 4.0 is here to stay, and the changes it brings are likely to affect every industry out there...including logistics.

# LOGISTICS 4.0

## A DIGITAL EVOLUTION

DIGITALISATION IS IMPACTING VIRTUALLY EVERY SINGLE INDUSTRY ON THE PLANET, AND LOGISTICS IS NO EXCEPTION. INMOTION SPOKE WITH SASCHA SCHMEL – MANAGING DIRECTOR OF THE VDMA MATERIALS HANDLING AND INTRALOGISTICS SECTOR ASSOCIATION – TO SEE HOW LOGISTICS 4.0 COULD TRANSFORM OUR BUSINESS.

### Sascha Schmel

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### WHAT IS LOGISTICS 4.0?

**Sascha:** Logistics 4.0 is simply Industry 4.0 applied to logistics. From there, it is up to every company to decide exactly what this means for them. In my opinion, the principal effect will be seen as the information flow becomes faster and more pervasive and at all points along the supply chain. Think about it: the main bottleneck in logistics today is information. That bottleneck can be overcome by digitization.

### HOW DOES THE INTERNET OF THINGS IMPACT LOGISTICS 4.0?

**Sascha:** Internet of Things (IoT) chips might be the missing link today, but they are coming. The narrow band for IoT technology currently rolling out across Europe certainly is seen as the breakthrough, at least by the providers. I agree. By the end of 2018, it will be possible to have billions of IoT devices connected to the cloud, with a broadband network that is available virtually everywhere, enabling us to connect everything to the Internet. We could know everything about everything at all times. For logistics applications, the 'where', 'when' and 'what' probably represent the most important information, and should be available for an investment of less than five Euros if we believe what the providers tell us.



## HOW FAST WILL THIS IMPACT HAPPEN?

**Sascha:** In my imagination, you will see this shift happen for high value items first within a short time-frame. As these IoT solutions become cheaper, they could cascade down to less expensive logistics applications for low value items within a few years. The network is in the process of being established – it is already in place in the Netherlands, for example – and as mentioned previously, narrow band IoT chips are expected to sell for less than five Euros by the end of the decade. There is a chance that such broadband networks will work around the globe one day.

## ARE CUSTOMERS AWARE OF THESE DEVELOPMENTS?

**Sascha:** Definitely. Think about the person who buys the latest iPhone, and whose digital expectations are rising fast. That is the very same person whose expectations are skyrocketing when it comes to their Business to Business deliveries. As a logistics player, you will not be competitive if you can't tell within five minutes when an item will be delivered. Since buffer times in production are close to zero, any knowledge of a delay is extremely valuable. The impact on productivity can be significant if waiting times and uncertainty are reduced. And this is one of the key future claims of Logistics 4.0 – for each tiny item we will know not just its position, but also its condition: whether it is damaged, at the right temperature, and so on.

## SHOULD LOGISTICS COMPANIES INVEST MORE IN TECHNOLOGY OR IN PEOPLE?

**Sascha:** In my opinion, they need to invest in both. Employees must be educated in the area of connected devices. For instance, the driver unloading a truck may not be a digital expert. But they will probably have to operate systems that are connected to the cloud and the company's supply chain software. Today, they currently use a scanner. But imagine a world of self-driving trucks, solving pallet problems with virtual reality, while in the background AI learns from the solution so that it can solve the problem by itself the next time around. This could happen by the end of the next decade. Therefore, if you want to be a front-runner, you will invest in your IT department and your people. On the one hand, I would expect devices in the future to be so smart that most people will be able to use them intuitively. On the other hand, if you have hundreds of trucks on the highways fulfilling your supply chain, then you need plenty of IT-skilled people in the office coordinating things digitally. And don't forget about those people who create new solutions. This job can't be done without knowing the edge of technology. We see that the big players are already doing this.

## DO THE COSTS CURRENTLY JUSTIFY THE GAINS?

**Sascha:** Some companies may look at their business case and decide to wait until costs come down. Like in most cases, it all comes down to Return on Investment. Imagine that you are shipping industrial equipment that needs to be in a special housing frame for transport, and that each frame costs 5000 Euros. Perhaps you have a number of these frames scattered around your supply chain, but

you buy 5-10 new ones each year because you lose track of them. As soon as you are able to track each frame, your Return on Investment is probably below one year.

## ARE COMPANIES FACING A DIGITAL REVOLUTION WITH WINNERS AND LOSERS?

**Sascha:** People talk about a digital revolution. But in my opinion, it is better to take the 'r' away – it's an evolution. In an evolution, people adapt, and as digitalisation increases exponentially, that is what we will do. I hope everybody can participate. But the larger companies will probably be the first to invest. The question is: what will move faster...digital change, cost reductions or customer expectations? Can companies meet customer expectations early enough with the right investment? It depends on the kind of customer, the financials of the company, and the quality of the people onboard. Looking back in 20 years, it might look like a revolution, but it is all relative.

## WHAT ABOUT THE PEOPLE WHO SAY DIGITALISATION IS HYPE?

**Sascha:** Well, history will tell, but I have made my bet. In my opinion, we are actually in the post-hype phase, with products and services becoming increasingly available and aiding productivity in established businesses, or offering new business cases. When it comes to digitalisation, people will have to keep their eyes open and prepare to be adventurous. For some companies, this will be an all-in game – it is usually the start-ups that are more willing to take the risk and there are a lot of them.

Others will try, and 'fail forward' with some smaller projects so that their future efforts succeed. I attended an event recently at which a global company presented their approach to digitalisation. And their strategy started at the top, with the CEO. This is essential. Yes, the investment might be large, but not investing will be worse. By the way, to judge whether it's a hype or already a reality, CeMAT in April 2018 is the place to visit. Together with Hannover Messe it is the marketplace for Logistics 4.0 and Industry 4.0 respectively.

## WHAT COULD THE FUTURE LOOK LIKE?

**Sascha:** In my area of Intralogistics, the flexibility that digitalisation brings could be enormous. According to what I am told, it won't matter whether an item is on the road or in a warehouse...we will know exactly where it is and we will be able to predict where it will be and when. But flexibility also applies to the way in which materials move around. Imagine an autonomous truck that pulls into a factory from the road. Once onsite, it splits into several shuttles and each goes to the right assembly location. From there, it splits into even smaller units and travels to individual production islands, bringing parts and materials where and when they are needed. If even half of this comes true it could change the world tremendously, and it could absolutely change the way we see logistics. It is this evolution that has potential to remove logistical constraints. Everybody is going to face a staggering amount of digitalisation. All we have to do is embrace the change.

# BIG DATA AND CYBERSECURITY: PROACTIVE PROTECTION IS ESSENTIAL



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THE MAERSK CYBERATTACK LAST SUMMER HIGHLIGHTED THE NETWORK VULNERABILITIES INHERENT IN BUSINESS OPERATIONS FOR COMPANIES ACROSS THE GLOBE. TO DISCUSS THE TRENDS AND PREVENTIVE ACTIONS FOR LOGISTICS IN THIS AREA, INMOTION SAT DOWN WITH CLAUS HERBOLZHEIMER FROM THE MANAGEMENT CONSULTING FIRM OLIVER WYMAN, AS WELL AS THREE EXPERTS FROM GEODIS | FREIGHT FORWARDING: MARCO OUDSHOORN (IT DIRECTOR INFRASTRUCTURE), SEAN MCMAHON (GROUP CHIEF INFORMATION SECURITY OFFICER) AND ANDERS WENNBERG (IT DIRECTOR, BUSINESS INTELLIGENCE).

## HOW IS THE IDEA OF BIG DATA CHANGING LOGISTICS TODAY?

**Claus:** Clearly, there is an overarching influence of Big Data and Artificial Intelligence today on transportation and logistics, whether that involves predictive supply, maintenance or reduced costs to serve. The other day, I was speaking with the CEO of a large OEM. He expected their complete sales forecasting processes, including production planning and their logistics supply chain, to be entirely automated by 2025. And the question they are struggling with is: will it take that long?

**Sean:** And of course another huge trend is cloud data. Most companies – including GEODIS – work with third parties like Microsoft, and are constantly evolving as technology advances.

## WHAT IS CHANGING IN THE AREA OF CYBERSECURITY?

**Marco:** These days, companies sit on tons of confidential data with unique country laws that apply to their protection. On 25 May, 2018, the EU General Data Protection Regulations (GDPR)

will come into force. The GDPR is designed to harmonise data privacy laws across Europe, and companies need to be compliant with these regulations or face penalties. This is certainly impacting how they will use data today and into the future.

**Claus:** That is an exceptionally good point Marco. This is one of the elements that might be different than originally expected – organisations will need to be much more careful about the way they address data and the data architectures themselves. In banking, for instance, we have seen a paradigm shift in which organisations now wonder whether they want to own and be responsible for data, or simply access what is necessary to perform, for example, a credit check. Once they have the results, they don't need the data anymore. This 'segregation' is a cleaner way to use data, in that if there is a breach, there is no – or at least less – data to be compromised.

## WHAT DID WE LEARN FROM THE MAERSK ATTACK?

**Sean:** At GEODIS, I would say that the Maersk attack reinforced what we were already doing in terms of Cybersecurity. My responsibility is to take a proactive approach when it comes to risk. This applies to operations, of course, but also to email, which is what triggered the Maersk incident with the Petya virus. Our company is a heavy email user, generating three times as much as other businesses our size. As a result, we strengthened our security using proven concepts that block ransomware and phishing attacks caused by users clicking on a link or opening an attachment. Of course, we also promote user awareness to make sure our end users are technologically savvy when it comes to cyber activity, and that they know what to look for. So we found a solution for these risks before the surge in global attacks last summer. We had no disruption and no system down time. It comes down to a carefully thought out combination of security tools, end user awareness and good IT practices.

**Claus:** What Sean has described is a great example of a proactive approach. What matters to any organisation is where they have data of interest, who might be interested in it, and what the potential attack scenarios are. Nobody can guarantee 100% safety, but the best organisations understand the context, are aware of the threat to business continuity and prepare to minimise risk.

**Marco:** And there are a variety of different attack scenarios out there. Some target specific people within an organisation – usually in a key financial position – using social media such as LinkedIn. Others try to get inside any way they can, through viruses and worms associated with emails and malicious content on websites. And even with millions invested in security systems, the human factor will always be our biggest threat and vulnerability.

**Claus:** Yes. Analysis tells us that a majority of successful attacks are still due to human factors, such as employee using a USB stick they happen to find outside their office. Some studies suggest up to 30% of people in a company would do this. But just one is a problem.

**Marco:** That's right. You wouldn't leave your keys in your car, would you?

**Sean:** And here is some more context: our protection system prevented a ½ million email attacks in August alone...normally a

quiet period. The vast majority of these were URL attacks, where the end user was enticed to click a link. About 20% involved malicious attachments. If you don't have these systems in place then you are relying solely on end users to filter them out.

**Claus:** Exactly. Companies need sequence of filters and layers to reduce risk.

**Anders:** And not just filters and layers. We rely heavily on our Master Data within GEODIS | Freight Forwarding, so it has to be robust, trustworthy and above all safe. With a solid Master Data solution we can on board and join any "foreign" unstructured database with our own and the result will be more truthful in our analytics and solutions created based on this Big Data.

**Sean:** Just as important are backup systems for recovering data, so that you are not held hostage to ransomware. If companies don't think about these security layers, they are increasing potential business disruption and data loss. Protecting data means more than securing information. Protecting data means protecting your reputation. As a logistics company, this is incredibly important. Our clients must have faith in our ability to protect our systems and their data from attack. At the time of the Maersk incident, I was able to say that we weren't simply lucky. Our proactive approach had already resulted in a good security posture.

## WHAT IS CUSTOMER PERCEPTION REGARDING CYBERSECURITY... ARE EXPECTATIONS CHANGING IN THIS REGARD?

**Claus:** You can think of Cybersecurity and Big Data as happening in an ecosystem involving vendors and third parties. For clients, GEODIS is a third party. A good exchange of information with solid knowledge about strengths and weaknesses is vital. Plus, most organisations – and this includes clients – already have a good understanding that things can happen. It's when things don't appear to be handled properly that you start to see a lack of appreciation. You need to have professional approaches in place with great communication to reduce impact in this area.

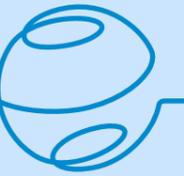
**Sean:** I agree. We regularly talk about our security posture with clients. We respect our own confidentiality, but we absolutely provide them with an overview of our tools and services. And yes, an increasing number of companies are taking Cybersecurity more seriously, due to the recent attacks. Many of them ask us to demonstrate what we do and how we do it. So we demonstrate the capabilities of our security operations centre, how we monitor our infrastructure, the anti-virus tools we use, our user awareness programs and our security governance procedures.

## WHAT SPECIFICALLY IS GEODIS DOING TO MANAGE AND PROTECT DATA?

**Sean:** Our customer data application protection plan consists of three parts. One, we actively monitor our public facing websites and our teams deal with trouble spots. Two, we have an emergency rapid response plan in place – if we are attacked we can recover our systems for business operations the same day. And three, we have the ability to conduct forensic analysis with regulatory authorities when needed. We have also taken out cyber risk insurance. All of these actions demonstrate to our clients that we take cybersecurity very seriously. We are agile, prepared and proactive. If we are attacked, we know what to do.

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# MARC MOTSCHMANN OUR NEW GLOBAL PRODUCT DIRECTOR AIRFREIGHT



## EXTENSIVE INTERNATIONAL EXPERIENCE

InMotion is pleased to introduce Marc Motschmann – GEODIS | Freight Forwarding’s new Global Product Director Airfreight. Marc joined GEODIS on September 1, and brings with him deep knowledge and a strong background in international airfreight experience. “I have worked across Europe and the Far East in a variety of airfreight roles, including at the director level,” says Marc. “I think what I bring to GEODIS is a passion for airfreight logistics. I have a background in trade lane management, but I have also ‘looked over the fence’ working on the sales and business development side. I am looking forward to combining this skill set as I help to achieve GEODIS’ strategic goals.”



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## UPCOMING AIRFREIGHT MARKET TRENDS

InMotion asked Marc about airfreight trends that could have an impact on customers in the months to come. 2017 was a record year for the airfreight industry, with double digit growth in year-on-year performance for most if not all trade lanes. This growth corresponds to increased demand linked to the pick-up in global trade. But it is mainly driven by the development of e-Commerce, which is generating a significant shift from an ocean freight to distribution centre prior to distribution model to a ‘direct by air to consumer’ type of solution. Growth in demand was not followed by an equivalent growth in supply, which was only 4%, leading to tension on prices and access to capacity. We expect a very similar situation next year, even if growth does not repeat its 2017 performance.

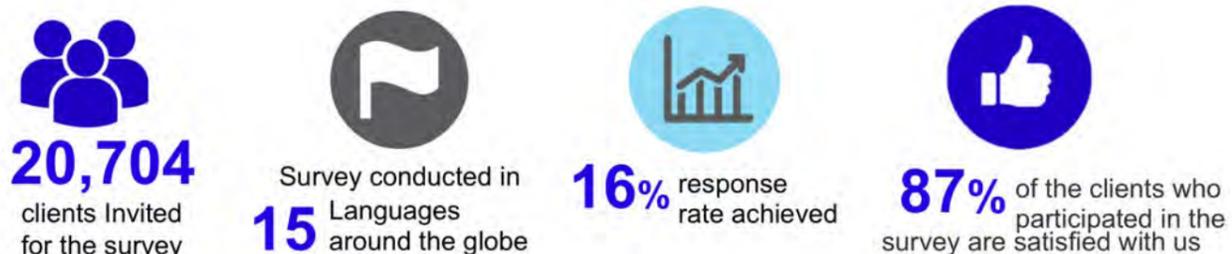


# GLOBAL CUSTOMER SATISFACTION SURVEY

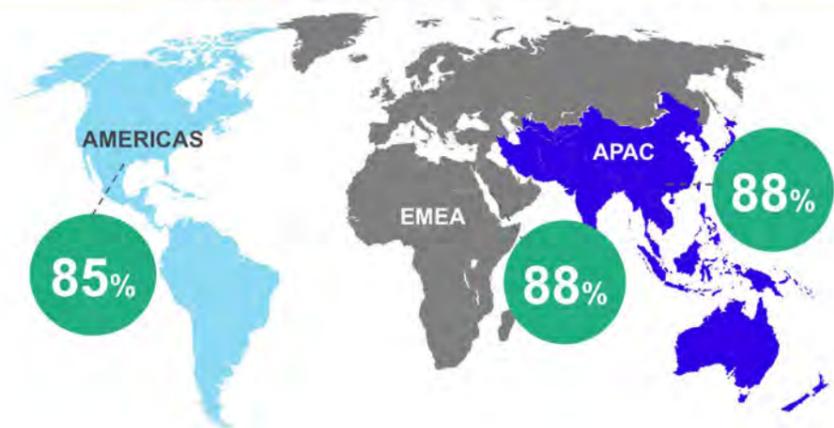
WE ALL HAVE HECTIC SCHEDULES, BUT MEASURING CUSTOMER SATISFACTION ALWAYS PLAYS AN IMPORTANT ROLE IN OUR DAY TO DAY ACTIVITIES. BECAUSE IT'S IMPORTANT. BY GIVING OUR CUSTOMERS A VOICE, WE LEARN WHAT WE ARE DOING WELL, AND WHAT WE COULD BE DOING BETTER. BY EMPHASIZING THE IMPORTANCE OF CUSTOMER SATISFACTION THROUGHOUT GEODIS, WE FOCUS ON PROVIDING OPTIMAL SERVICE AND CREATING TRUE VALUE ACROSS OUR PRODUCTS AND SERVICES. IN OTHER WORDS, WE CREATE A CULTURE THAT TRULY PUTS THE CUSTOMER FIRST.

## SPECIFIC RESULTS AT A GLANCE

Since 2014, GEODIS has been using a systematic methodology to conduct customer satisfaction surveys on a global level. This helps us enhance areas that are crucial to business development and growth. We would like to thank all our clients who participated this year for their sincere feedback. Here is a brief overview of this year's results.



## SATISFACTION LEVEL IN EACH REGION



## OVERALL PERFORMANCE IN VARIOUS KEY AREAS



## IMPROVEMENT INITIATIVES ALREADY UNDERWAY

While the overall positive results are good to see, one of the survey's principal goals has always been to highlight areas for improvement. The areas listed below illustrate these well, and GEODIS will be focusing on improvements in all of them. Compared with others in the industry, Communication and Sales Relations are still some of our strongest assets for retaining customers and building customer loyalty. We will be watching these scores closely in future analysis. GEODIS will also place a particular emphasis on Invoicing and Complaint Handling.

### HANDLING OF COMPLAINTS

The main improvement points in this area are:

- Speed in resolving issues
- Effectiveness of proposed solutions
- Communication during and after the complaint handling process

### INVOICE SERVICE

Invoicing timeliness and accuracy are areas of improvement highlighted in this year's survey. We focus on:

- Enhanced invoicing details
- Invoice clarity
- Timely invoicing

### SERVICE & SOLUTION OFFERS

Our areas of improvement in this area include:

- Clarity of the offer by enhancing the value proposition method
- Ability to customize solutions to specific needs
- Quality of the commercial support

If customer satisfaction is the goal, then constant feedback is the best way to improve over time. This is why we will continue to measure customer satisfaction – it is just one of the ways that we continue to build a brand associated with great customer service.

# DIGITALISE YOUR SUPPLY CHAIN

IN TODAY'S WORLD OF GLOBAL TRADE AND TRANSPORTATION, ACCURATE, REAL-TIME INFORMATION HAS BECOME A TRULY COMPETITIVE ASSET. IN IRIS (INTELLIGENT REAL TIME INFORMATION SYSTEM) GEODIS HAS A ROBUST AND INNOVATIVE ESOLUTIONS SUITE THAT ENABLES YOU TO TAKE YOUR SUPPLY CHAIN MANAGEMENT TO THE NEXT LEVEL BEYOND TRACK & TRACE.



Designed solely with the aim of putting your needs first, we give you total control. IRIS provides an interface with features instantly accessible to you and your business partners. This innovative technology gives you complete visibility of all your shipments. IRIS offers key features such as:

- Order management
- Customised reports
- Warehouse management

- Notifications and alerts
- Financial information
- Convenient EDI

- Bookings
- Track and Trace
- Document management



**NEW** Latest Value Added Feature: Financial and trade lane analysis

For more information on IRIS, please follows : <http://marketing.ff.geodis.com/web/IRIS>



## WELCOME TO GEODIS' ENHANCED CUSTOMER COMPLAINT HANDLING PROCESS

GEODIS | FREIGHT FORWARDING IS DEDICATED TO ENSURING THE BEST POSSIBLE SERVICE. AND WHEN THINGS DON'T GO EXACTLY AS PLANNED, WE USE CUSTOMER FEEDBACK TO RESOLVE ISSUES AND MAKE SURE THEY DON'T HAPPEN AGAIN. AS PART OF THIS PROCESS, GEODIS HAS CREATED AN ENHANCED – AND GLOBAL – CUSTOMER COMPLAINT HANDLING PROCESS CONSISTING OF FIVE KEY PHASES.

### 5 CLEAR, TRANSPARENT AND AUTOMATED PHASES



**IN PHASE 1**, Customer Issue Registration, the customer calls or emails their GEODIS counterpart and the issue is recorded online by a representative from Operations, Business Development or the Helpdesk.



**IN PHASE 2**, the issue is sent to a Country Complaint Manager for Issue Qualification and Dispatching as the manager quickly dispatches the complaint to the appropriate process owner.



**IN PHASE 3**, Issue Solving, the process owner then conducts a root cause analysis and formalizes a preventive and corrective solution.



**IN PHASE 4** – the Action Plan Execution phase - the process owner executes this plan and the Country Complaint Manager makes sure the issue has been solved appropriately.



**PHASE 5** rounds out the process, as the customer receives a Customer Complaint Handling Satisfaction Survey to make sure GEODIS receives honest customer feedback about how the issue was resolved.

### FULL TRANSPARENCY EVERY STEP OF THE WAY

"This is definitely a customer-oriented solution," explains Director Business Excellence Harm van Brussel. "And it provides several advantages. We record and manage all activities in a central system. Automated workflows provide our customer with real-time progress reports as we work on an issue resolution, along with KPI information that is communicated both internally and externally. We provide full transparency by informing our customer every step of the way, from Phase 1 to Phase 5."

The global process was launched in May, and is currently being rolled out across all GEODIS geographies to align and standardise customer complaint handling in all countries. "The idea is driven by more than just a desire to solve issues as quickly as possible," says Harm. "It is also a key component of one of GEODIS' stated values: to make it easy for the customer to do business with us."



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# SOUTHEAST ASIA THE RISE OF ROAD

ROAD FREIGHT IS INCREASING ACROSS THE GLOBE, AND NOWHERE IS THIS FELT MORE STRONGLY THAN IN CROSS-BORDER TRUCKING THROUGHOUT SOUTHEAST ASIA. INMOTION SPOKE TO CHRISTOPHER LEE, REGIONAL DIRECTOR – ROAD NETWORK / CUSTOMS BROKERAGE APAC, TO ASK ABOUT DEVELOPMENTS IN THIS AREA.

## HOW MANY CROSS-BORDER SHIPMENTS ARE OCCURRING TODAY IN THE REGION?

**Christopher:** Actual numbers are hard to come by due to the myriad of local independent truckers operating across the region. However, current estimates speak for themselves: 800 truck-loads a day between Singapore and Thailand, 1000 to 1500 truck-loads day between Malaysia and Singapore, and 2500 trucks a month between Vietnam and China.

## WHAT KINDS OF GOODS DO YOU SEE MOVING AROUND THE REGION?

**Christopher:** Cross-border trucking activities used to be limited to products such as vegetables, seafood, fresh fruit and other sundry products.

GEODIS | Freight Forwarding introduced high end shipments such as electronics, hi-tech products and computer components 25 years ago between Penang and Bangkok. Traditionally, these high-end products didn't use cross-border trucking, but logistics developments in the region have caused this to change. The reasons are better infrastructure and safety, available capacity and cost.

## HOW EXACTLY HAS THE CAPACITY SITUATION MANAGED?

**Christopher:** Capacity issues began years ago regarding trade between Malaysia and Thailand, as the single airfreight shipment a day between Penang and Bangkok became untenable. Road volume has subsequently increased tremendously, and rising airfreight rates are pushing demand even higher. Take the Shanghai to Singapore route as an example. If you need to move 8000-9000 kilos per shipment, trucking is going to cost 25-50% less than airfreight. Ocean freight might be cheaper, but it will take up to 20 days. Road

offers a cost-effective price and a travel time of 8-9 days.

## WHY ARE E-COMMERCE SHIPMENTS INCREASING FOR ROAD TRANSPORT?

**Christopher:** Before eCommerce, most products used to travel by ocean and airfreight. As eCommerce started to take off, the preferred method of transport was airfreight – they were small parcels and required fast transit times. However, there are issues: airfreight can't cost-effectively transport large items.

## IS CROSS-BORDER TRUCKING FOR SURE MOVING IN TO FILL THE GAP?

**Christopher:** Yes. In the not too distant future, we expect the size of cargo to grow – people may be buying items such refrigerators and washing machines online. Trucks can move these items quickly and cheaply, with far fewer restrictions on weight and capacity. They can also move dangerous goods – something very problematic for air. Road transport is increasingly supporting this hugely popular buying behaviour.

## IS THE STRATEGY DIFFERENT FOR LARGER AND SMALLER PLAYERS?

**Christopher:** While eCommerce is ruled by the big players, the fact that such a large number of products for the Southeast Asia

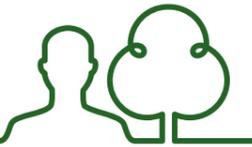
market are manufactured in China means that thousands of smaller online companies are also joining the fray. And they are looking to minimise costs anywhere they can. Trucking is the perfect solution for them: it is cost-effective, it is relatively fast, and it meshes well with last-mile B2B and B2C deliveries. Cross-border trucking is certainly going to play an increasingly larger role for eCommerce in Southeast Asia.

## PRODUCTION IN CHINA ALWAYS AFFECTS LOGISTICS IN THE REGION. IS IT AFFECTING CROSS-BORDER TRUCKING TOO?

**Christopher:** Absolutely. China is moving many of its production facilities inland and closer to Southeast Asia. Trucking therefore makes the most sense while transporting components and goods across the region. This, and the other factors we have talked about, means that cross-border trucking in Southeast Asia is expected to grow 50-60% by 2020. And GEODIS is ready to meet this growth.



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# CSR: HELPING CUSTOMERS MAP CARBON EMISSIONS ACROSS THE ENTIRE SUPPLY CHAIN

GEODIS has just released its new Corporate Social Responsibility (CSR) report, describing the various sustainability initiatives underway and the benefits these provide for customers across the globe. The report describes with clear examples what GEODIS wants to achieve when it comes to CSR.



## A FOCUS ON CUSTOMER SOLUTIONS, NATURAL RESOURCES AND EMISSIONS

“As a freight forwarder, our overall goal is to help fight climate change and lower our impact on the environment,” says Harm van Brussel, Director Business Excellence. “To do this, we focus on three components. First, we increase the carbon efficiency of our proposed solutions. Second, we optimise the use of natural resources in terms of packing, shipping and waste management, emphasising waste stream management and the recycling of paper and cardboard. And third, we try to decrease pollutants and harmful emissions through urban logistics solutions such as our Green Trucking initiative for last-mile deliveries in Shanghai.”

## MAPPING CUSTOMERS' ENTIRE FOOTPRINT

Perhaps the biggest impact seen by GEODIS | Freight Forwarding's customers is the way in which the company works with them to measure – and then find solutions for – carbon efficiency improvements across their entire chain. A recent customer wanted to improve their overall carbon footprint – including their use of suppliers other than GEODIS. This customer was able to manage their S1 & 2 emissions (direct and indirect emissions such as electricity and fuel) on their own, but asked GEODIS to run a massive study across carbon emission Scope 3: all other indirect emissions including outsourced transport activities.

“We mapped and modelled their entire supply chain also considering emissions of competitors through extensive sampling,” says Harm. “The resulting information gave them a complete overview for the first time in the company's history. Now they have the opportunity to optimise their supply chain by adjusting their modes of transport, changing their packing quantities to reduce smaller shipments, and so on.”

## THE MOVE TOWARDS RAIL

GEODIS' ability to measure and manage its own carbon footprint as well as that of its customers provides valuable information in terms of decision-making. And one decision that many customers are making is the move towards Rail. For instance, a massive eCommerce customer is currently investigating a shift from Airfreight to Rail, which will help them move from an index figure of 100 to 7 – a massive result that makes this form of transport increasingly attractive, especially on China-Europe routes. Ultimately, this will have a positive impact on the environment as well as on logistics costs. Our expert, Farhad Kayyum (farhad.kayyum@geodis.com) is available to provide you more info on the rail freight solution.

If you are interested in talking to GEODIS about mapping your own carbon footprint, we encourage you to reach out to Harm van Brussel. In the meantime, you can download a copy of GEODIS | Freight Forwarding's latest [CSR Report](#) here.



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# PRINCE RUPERT SOUNDS PORT: CREATIVE ROUTING TO SAVE HASSLE AND COSTS

## A NEW PROGRAM FOR INBOUND OCEAN FREIGHT FROM ASIA

GEODIS US has incorporated a strategic routing program for ocean inbound containers from Asia over the past several years. It involves using Prince Rupert Sound, British Columbia, as a port for unloading Trans-Pacific eastbound cargo for midwest and inland port intermodal locations in the US. This port is now Canada's second-largest container facility, with an annual container capacity of 1.35 million TEU's.

"We're always looking for creative solutions for our customers," says Joseph Galeone, Vice President, Key Accounts Americas. "Traditionally, we would have used ports in Los Angeles, Oakland or Seattle. But we piloted this system with a large customer in Chicago, who quickly saw the benefits. This led to an approach for other customers in middle America. It's perfect for locations such as Chicago, Memphis, Kansas City, and so on."

## ELIMINATING BUREAUCRACY AND SAVING COSTS

The benefits are clear. Cargo arriving from Asia is loaded immediately onto rail cars and transported to a border crossing in the

midwest. This creative rerouting process eliminates Harbour Maintenance Fees, as well as Import Security Filing (ISF), which is only needed for US ports. These easier customs procedures, improved transit time, and the lower costs offered by rail make this form of transport an obvious choice.

"Of course, not all carriers go through Prince Rupert Sound," says Carrier Manager Ryan Dugan. "So we do our homework, and carefully align with the carriers who do. The upside is that the port doesn't have a lot of local cargo, and serves as almost an exclusive yard for transferring cargo to rail for US destinations."

The use of Prince Rupert Sound is another example of GEODIS' commitment to creative solutions for customers...saving them costs and removing customs challenges at the same time.

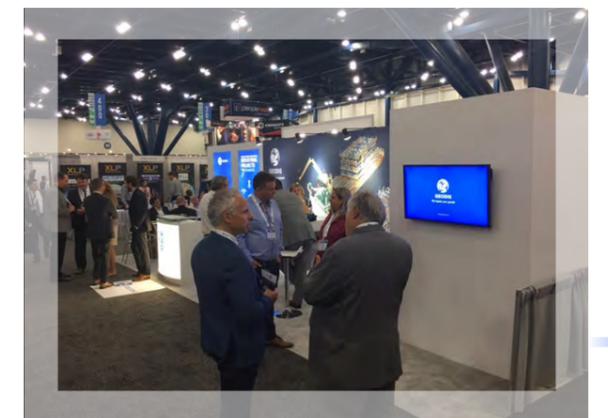
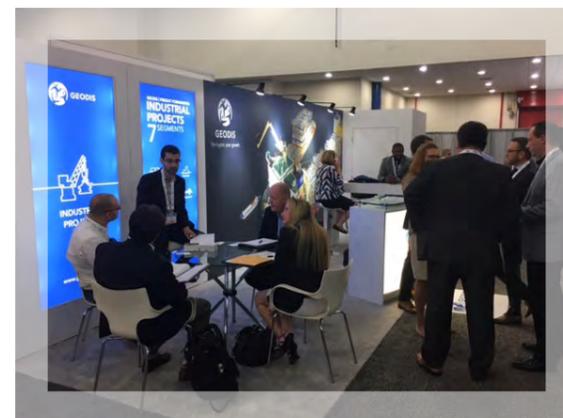
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# EVENTS



1 GEODIS | FREIGHT FORWARDING SPONSORED THE AUTOMOTIVE LOGISTICS GLOBAL CONFERENCE USA, HELD IN DETROIT FROM 19 TO 21 OF SEPTEMBER



2 GEODIS | FREIGHT FORWARDING PARTICIPATED AS EXHIBITOR AT THE BREAKBULK USA IN HOUSTON FROM 17 TO 19 OF OCTOBER



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