

# NEW GROUND

Freight Forwarding - internal employee magazine no.14 - 2017

## NEW OCEAN FREIGHT STRATEGY



INTERVIEW WITH  
ONNO BOOTS,  
RVP ASIA PACIFIC

SOCIAL MEDIA AT  
GEODIS

GEOPAD 3.0 GLOBAL  
LAUNCH READY



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## WELCOME TO NEW GROUND

### DEAR COLLEAGUES,

I hope you had a wonderful holiday season, and that you are energised and recharged for 2017. Last year brought many challenges. However, it also brought successes – we integrated OHL, we received positive customer survey results, and we are well on our way to achieving our Ambition 2018 targets.

This edition of New Ground contains a variety of articles highlighting our drive and commitment to serving our customers in the best way possible, including our internal focus on employees and our external focus on new customer programs and innovations.

One of the biggest changes this year will be our new Ocean Freight strategy. This strategy includes a strengthened ocean organisation and new processes for pricing and procurement. Moving forward, we will be concentrating volumes using selected carriers, which will result in savings that we can reinvest for competitive advantage.

We all know that innovation is a cornerstone of our approach. As you read further through New Ground, you will learn about our GeoPAD tool to help customers acquire the services and products they need, a new Last Mile service in India and a number of Innovation Masters Awards ideas that bring internal and external advantages. We also focus on social media – a ‘must-have’ tool – and one that we are using with good effect

to communicate, brand and increase internal collaboration.

Internally, our Managing Directors conference in Miami resulted in four must-win battles for this year, and we will be working hard to make sure we achieve positive results in each of these areas. One of these areas is our Fit for the Future program consisting of nine projects with freight board sponsorship, including global tender management, value proposition training, Next Gen usage and more.

Of course, GEODIS | Freight Forwarding is also concerned with the wider world in which we operate, and we are constantly on the lookout for opportunities to engage in social activities to help the communities around us. This edition of New Ground includes articles on GEODIS India’s Children’s Day, a paper donation to a Kindergarden in Hamburg, and an initiative by our Marine Logistics unit in Spain to help children at risk.

I am pleased to present this first 2017 edition of New Ground – I hope it serves to inspire and motivate you all as we work towards GEODIS | Freight Forwarding success.

Happy reading!

**Kim Pedersen**  
Executive Vice President  
GEODIS | Freight Forwarding



## FIRST BUSINESS WITH MICHAEL KORS



All major fashion retail brands are now focused on growing sales and capturing market share in Asia, and the iconic fashion brand Michael Kors is no exception. Our Hong Kong team, led by National Sales Manager Yvette Pang, has built a close relationship with Michael Kors Hong Kong. As a result, Pascal Qian (Vertical Manager Fashion & Lifestyle China), supported by the Asia Pacific Business Solution team, created a tailor-made Asia Pacific logistics solution to support Michael Kors' new market approach. This partnership is based on the fashion company's awareness that our sales, solution design and operational teams are well recognized in Greater China for their experience in the design and successful execution of solutions that help Fashion & Lifestyle clients overcome their logistical constraints. The service will begin on February 5, 2017 and is worth EUR 1.1 million.

Starting in November of 2016, the team also started to manage the company's freight forwarding operations from the United States to both China and Hong Kong (LCL, FCL, Airfreight and Customs Clearance). Well done Greater China!

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## FIRST SYNERGY WIN WITH OHL IN AUSTRALIA



GEODIS Australia recently won a contract with a leading pet brand company with specialty stores across the country. The one-year contract is for 700 TEUS of FCL imports from China and the US to Australia, and is worth EUR 1.2 million. Pet food is a challenging commodity to customs clear in Australia. Ketan Badhwar (Supply Chain Solutions and e-commerce Lead) first approached the company in May of 2016 with an IRIS promotion, which led to subsequent meetings and an invitation to tender. The team's response exceeded the company's expectations, with competitive factors that included our Container Freight Station capabilities in China/US, our large Fast Moving Consumer Goods footprint, and our experience in handling pet food. The success builds on a previous relationship with the company's sub-supplier who is also an established OHL client, for which GEODIS already provides third-party logistics in Brisbane.

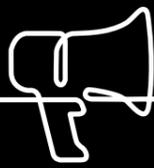
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## GEODIS IS A GOLD SPONSOR AT THE FRENCH COSMETICS AWARDS



The French Cosmetics Awards (FCAs) were held in Hong Kong on November 15, the eve of Cosmoprof Asia 2016 – a trade fair that serves as a gateway to the APAC market. "FCA 2016 is a great platform for showcasing the 'best of the best' brands and products to the world," says Chris Cahill, Regional Director, Sales & Marketing – Asia Pacific. "GEODIS is proud to be a Gold sponsor of this event and a growth partner for the French exhibitors." Chris also participated in a discussion panel together with the FCA 2016 winners, as they exchanged perspectives and experiences about 'French Innovations' and how logistics service providers contribute to the growing Asian cosmetics market.

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## GEODIS ITALY BRINGS MUSIC TO FINLAND

Many GEODIS | Freight Forwarding transports are standard customer deliveries. But once in a while, an extraordinary client comes along with an unusual request. This was the case when a famous Italian orchestra (founded in 1740!) from the Teatro Regio in Turin needed to travel to Finland for the Savonlinna Festival. Their cargo? A variety of delicate, valuable and temperature-sensitive musical instruments. On 23 July, GEODIS Italy used a cooled truck to transport the unique cargo, which arrived in perfect working order for the international performance of two operas La Bohème and Norma. Both were smash hits.

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## COMBINING STRENGTH AND COMMUNICATION FOR THE RAPID TECNICAS REUNIDAS PROJECT



GEODIS Spain has been awarded logistics services from Tecnicas Reunidas for the Petronas Pengerang Integrated Complex (PIC) project's full six bids (called RAPID). The contract is worth USD 21.5 million, and will see GEODIS ship 250,000 Freight Tons (FRT) of break bulk and heavy lift FCL cargo and FCL across 14 months, from multiple global origins to the site in Malaysia. Last summer, they transported a reactor from Italy – 1,100 tons in weight and 45 metres in length. Congested destination port facilities and poor site conditions made discharge and reception of the largest and heaviest pieces challenging, but the team used a combination of strength, flexibility and intense coordination to get the job done. So far, the project has resulted in over 560 door-to-door shipments, with many more to come.

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## OUR RENEWABLES SEGMENT DEMONSTRATES FAST GROWTH



Our renewables segment is providing us with exceptionally fast growth. We are now undertaking an unparalleled two-year project in China, encompassing 600 wind turbines for export. We are also transporting 163 wind turbines for South Africa, managing the entire logistics chain from pick-up at factories in China to delivery at the job site. GEODIS also holds the record for the longest blade transport by air (from China to Denmark) using the largest aircraft in the world – the Antonov 225.

We have recently transported 11 wind turbines over two separate projects in Costa Rica; 30 wind turbines over two separate projects in Mexico and seven turbines in Chile. In Jamaica, the Blue

Mountain Project saw us move eleven 55-metre turbines – the longest blades ever transported in that country. Due to challenging construction site road access, GEODIS delivered major infrastructure improvements by retrofitting an abandoned port and expanding the draft of the adjacent jetty. The blades were delivered to the jetty by barge through inclement weather and then trucked to the jobsite.

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## GEODIS STYLE GUIDE NOW AVAILABLE

Did you know that GEODIS | Freight Forwarding has now a guideline on the use of corporate wording? It was created to help create and maintain excellence and consistency through common standards for all of GEODIS' internal and external communications. You can apply the guidelines to brochures, emails, articles, presentations, or any other document you write. It is also a great way to maintain the GEODIS brand while getting your message across in the most effective way possible.

Apart from obvious things such as spelling, the style guide also contains sections on GEODIS and logistics terminology and abbreviations, plain English, geographical terms, acronyms such as IRIS and CRM, how to write dates, times and phone numbers consistently, and more.

### ALWAYS SPELL GEODIS IN CAPITAL LETTERS.

Here is a list of what not to use and what to use when writing about GEODIS-related topics.



**NEVER USE**



**USE**

GEODIS Freight Forwarding  
Geodis Freight Forwarding  
GFF  
GEODIS Freight Forwarding Australia

GEODIS | Freight Forwarding  
GEODIS Australia  
GEODIS | Freight Forwarding Australia

GEODIS Industrial Projects  
Geodis Industrial Projects  
Industrial Projects Division  
GEODIS IP  
Geodis IP  
GEODIS Freight Forwarding Industrial Projects

GEODIS - Industrial Projects  
GEODIS - Industrial Projects Italy  
GEODIS | Freight Forwarding - Industrial Projects

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[DOWNLOAD GUIDE](#)

# OCEAN FREIGHT STRATEGY: THREE DRIVERS FOR SUCCESS

Our new Ocean Freight strategy is based on three main drivers: the need for strong carrier relationships, increased pricing competence and strategic geographical coverage. To achieve these goals, we will focus on three areas: volume consolidation, RFQ excellence, and a BICU geographical approach.

## DRIVER 1: VOLUME CONSOLIDATION

In terms of consolidation, we have already built a diversified relationship with carriers. We have some carriers under 5,000 TEUs – these represent niche players that can be of strategic interest. We also have a variety of ocean carriers in the 35,000 to 125,000 TEU range, and this is where we are going to focus most of our efforts. These carriers maximise our benefit from carrier bonus programs based on volume and mileage. As we change our focus, a new Central Ocean Freight Steering Committee will now help our local, national and regional units achieve more targeted and strategic freight assignments. Our goal is to reach significantly higher rebates by 2020 – rebates that we can then strategically re-invest in other areas.

## DRIVER 2: STANDARDISED RFQ PROCESS

Our RFQ process will be crucial to achieving this goal. Pricing Competence Centres in Miami, Hamburg and Hong Kong will now help us achieve network-wide pricing. This process will be standardised, reliable, and simple. It will also result in one-time, transparent and scalable negotiations – for instance, we will be able to handle a great number of our tenders in exactly the same way, with much less work and greatly increased door-to-door visibility across our network.



## DRIVER 3: OUR BICU OBJECTIVES

This new approach will also merge strategically with our BICU approach, as we focus on the regions most profitable for our business. Achieving focus is critical to our BICU strategy and the success of our ocean product. In strategic lanes inside the BICU strategy, we will achieve scale (enough volume) with certain carriers to have a strong product platform for further BICU success. We will also strengthen the way Business Development and Product work together on strategic BICU trade lanes.

Our Ocean Freight strategy – stronger carrier relationships and enhanced pricing abilities, all supporting our BICU objectives – will take us into 2017 and beyond. I look forward to working together with the entire network as we achieve our objectives...and those of our customers.

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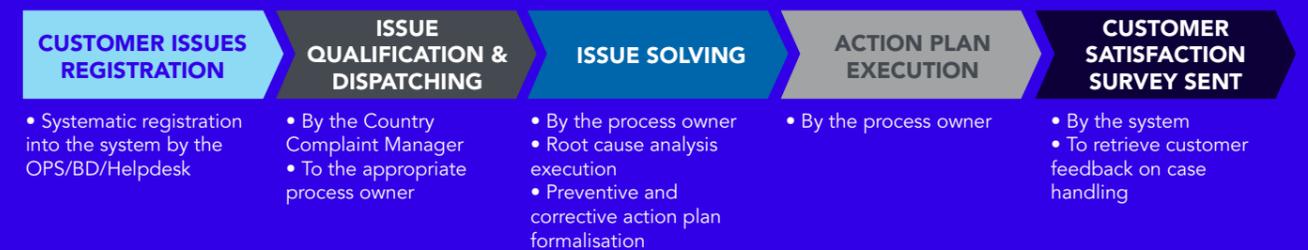
# A NEW COMPLAINT HANDLING PROCESS NOW IN PLACE

## AUTOMATED COMPLAINT CONTROL

GEODIS | Freight Forwarding now has a formal process in place to handle customer complaints for a variety of situations across our network. This process is driven by responses from our Customer Satisfaction Survey and the desire to 'make it easy for the customer to do business with us'. As a result, we are now able to effectively record and manage complaints, create real-time solution visibility (with KPIs) for our customers, and provide timely and consistent internal and external communication.

## A FIVE-STEP PROCESS IN BPM

The five-step process is accessible through the Business Process Management (BPM) tool available on our intranet.



## ROLL-OUT IN Q1 2017

This standard, centralised process is designed to increase operational efficiency matched with an improved customer experience during situations that lead to complaints. After modelling and test phases, the system is now rolling out in France, Denmark and Sweden, with organisation-wide rollout planned for Q1 of 2017.

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# ALL NORDIC COUNTRIES NOW IIP-RECERTIFIED

Investors in People (IIP) is the international standard for people management, helping companies lead, support and manage people effectively. Each individual Nordic country now has its own certification status. Finland and Norway have been recertified, and Denmark and Sweden have been recertified at the Silver level, meaning that their units are actively engaged in embedding the IIP practices at a deeper level throughout the organisation. Faced with a difficult market and financial challenges, new Managing Director for Norway Thomas Kejser-Levrik embraced IIP as a tool to overcome adversity. "Thomas applied the IIP steps directly," says Jolien Dirne, HR Director EMEA. "He improved communication, enhanced target-setting and created a feedback culture. The approach increased performance and created a more financially-savvy organisation that has already started to show better results."

# MANAGING DIRECTORS' CONFERENCE A SUCCESS



## ACHIEVE 2018 MIAMI EDITION

GEODIS | Freight Forwarding's Managing Directors' Conference took place on November 2 and 3 in Miami, USA. Under an 'Achieve 2018' theme, the Freight Management Board welcomed all Managing Directors and IP Competence Heads for two days of project sessions, networking and fruitful workshops.

Kim Pedersen, EVP of GEODIS | Freight Forwarding, presented four must-win battles for 2017:

- Win the right type of customer
- Reach OHL revenue synergies
- Grow Industrial Projects outside Oil & Gas
- Fully implement 'Fit for the Future'

The rest of the agenda was set predominantly around a follow-up of the 'Fit for the Future' transformation projects initiated at the end of last

year's MD conference. Nine projects have been defined in line with Ambition 2018, and all of them are well underway. The group also held a 'Faces of Success' awards evening, during which the best performers from different categories were rewarded for their achievements in 2016.

The meeting also emphasised action in another way: Managing Directors from across the globe had scheduled sales visits in the US around the conference dates. This opened up new opportunities and even closed business deals that will cover the costs of the conference itself!

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# AMBITION 2018 HITS THE ROAD

Three GEODIS | Freight Forwarding locations took the lead in organising our CEO's roadshows in 2016: Hamburg, Gothenburg and Singapore. In cooperation with the other Lines of Business and facilitated by local management, Marie-Christine Lombard visited the three cities to meet with employees and customers, and to explain GEODIS' strategic path for the coming years. More than 100 internal guests participated at each of the three locations, listening to the strategy presentations and asking questions to our CEO, the Group's Chief Commercial & Marketing Officer Thomas Kraus, and local and regional management. The pictures on this page offer impressions from the three sessions – including the customer events – all of which were made possible through a great attitude and support from numerous local staff members. A big thank you to all of those who supported the roadshow events 2016!

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## HAMBURG



## GOTHENBURG



## SINGAPORE



# SOCIAL MEDIA AT GEODIS: FIRING ON ALL CYLINDERS



## A 'MUST-HAVE' MARKETING TOOL

Social Media is a big part of all of our lives... we spend 30% of our days interacting with it. As such, it is currently a 'must-have' supplement to traditional marketing – especially in an industry that moves quickly. GEODIS is using LinkedIn, Facebook, Twitter and YouTube to connect with people across the globe, alerting both staff and customers about the latest developments, market intelligence and – of course – our innovative logistics solutions. "We use LinkedIn primarily to connect with prospects and clients, while our Facebook activity mostly attracts employees who share work experiences with their networks," says Oying Lui, Regional Marketing & Communications Manager, Asia Pacific. "Twitter is important for both communication and branding, and we make sure to update it two or three times a day to remain on people's radar. And YouTube is a great medium for showing videoclips of our company's successes, activities and innovations. All of this combined is a great communication mix to alert our staff and our customers about industry trends and company news."

## A PERFECT TIME TO FOCUS ON SOCIAL MEDIA

All four of these social media channels are vital for presenting, reinforcing and branding GEODIS' corporate mission, vision and values to the outside world. "As a B2B company, it is an absolute imperative to focus on these platforms," says Michael Zuchold, Marketing and Communications Director. "Most of our competitors aren't very active in this area yet, which means it is an opportunity to distinguish ourselves. Plus, our ability to make use of and master these tools reinforces our image of innovation and agility as a global logistics provider. It also improves brand awareness, and will help us become an employer of choice – which is especially relevant as more and more millennials join the workforce."

## SHARE THE LINKS...MAKE SOME NOISE

Our social media team is located in Hong Kong and Bangkok, where it is firmly focused on the pulse of the industry. The next step is to establish corresponding social media leaders in Europe and the Americas as well, incorporating local and regional input to connect in an even stronger way. "Today, we have about 500 salespeople who are most visible to prospects and clients. But the reach and impact of social media can allow more than 9,000 staff members to connect with our external business environment every day," says Sophie Khaou, Marketing & Communications Director, Asia Pacific. "So we encourage everybody to engage in our social media activities. Share the links, create more attention...all of us can spread the news about our activities and bring our image to the outside world with a click of a mouse."

To support our social media activities, follow, click and share posts from the links below every day!

**CLICK**

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## MEET ONNO BOOTS – REGIONAL VICE PRESIDENT ASIA PACIFIC

ONNO BOOTS IS OUR NEW REGIONAL VICE PRESIDENT ASIA PACIFIC. NEW GROUND RECENTLY SPOKE WITH ONNO TO SEE HOW HE IS DRIVING FORWARD PERFORMANCE IN THE REGION.

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### When did you start in your new position, and what is your professional background?

I started in mid-October of 2016. Singapore has been my home for years, and I have a long background in transport and logistics in the region where I used to run the Asian operations for another global logistics company. However, my most recent job was in Istanbul, where I was successfully transforming passenger and cargo airport handling activities. I returned to Singapore due to the social and political unrest in Turkey, and was about to take a job in packaging, until I met Kim Pedersen. I liked GEODIS' approach, and I gladly accepted this position. It is a perfect fit, combining my strong passion for logistics in a region where I know the the cultures and their businesses specifics.

### What strategy do you have for the APAC region in order to reach Ambition 2018?

I am not reinventing the wheel. A great strategy was already in place when I came on board, centred on the main international trade flows, specific vertical markets such as Industrial Projects and Fashion & Lifestyle, but also Hi-Tech and Automotive, and customer segmentation. My main driving goal is to ensure that this strategy is executed in APAC, with the right people, processes, systems, capabilities, and operational infrastructure.

### What specifically are you focussing on?

It's all about regional strategies that support It's all about regional strategies that support global strategy. First, we are focusing on the transpacific trade lane from Northern Asia to the US, which is the world's largest trade lane. And we are operating according to the addressable market, our industry verticals, and type of customer. In addition, secondly China is investing billions into its One Belt One Road initiative that is transforming historical reliance on air and ocean freight. We currently use our rail service from China to Europe. However, our goal is to turn this into a rail value proposition driven by a pro-active strategy that targets specific customers in selected vertical markets. Third, we are focusing on Intra-Asian trade in South East Asia – from Vietnam to Indonesia and all countries in between, including the Philippines – currently growing by more than

40%. We're intent on tapping into the accelerated growth in this area. Fourth, we are developing a hub-and-spoke blueprint that will drive a clear road value proposition, based on transit times. This will involve an integrated infrastructure able to operationally consolidate volumes in selected gateways such as Hanoi, Bangkok and Kuala Lumpur. The infrastructure will be developed into the Asian Road Network with a commercial proposition that enhances our ability to market and will be enabled by organizational design and IT capability. All of this will drive scale in order to leverage volume and buying power.

### So those are the big initiatives. Is there anything else regionally-specific that you are working on?

Yes, two things. The first is to develop an integrated strategy for the e-commerce market. It is my firm belief that e-commerce is going to change the face of transport and logistics, driven by data – a heavy IT component through mostly cloud-based applications. We need to understand and drive new developments in this area to capture opportunities in this area. Second... India. Large multinationals – in other words, our customers – currently need to rely on warehouses in 28 states across the country to avoid state taxes. However, the government has now passed a law that implements a country-wide Goods and Services Tax. The appropriate approach for these companies now is to move from their many small warehouses to a few large, strategically-placed warehouses. Domestic transportation is going to explode...and we are determined to tap into this market, including the development of a last mile delivery proposition.

### Thanks, so obviously there is a lot going on in the APAC. How would you summarize your approach in a few sentences?

Our team is dedicated to our strategy with a trade-lane and market segment focus, as we develop critical mass that will drive operational excellence. We need to make sure that everything we do is rigorously executed in ways that are methodical, measurable and quantifiable. And we are committed to ensuring that our region supports global strategy – especially when it comes to realising our Ambition 2018 goals.



## MARINE LOGISTICS: A GLOBAL APPROACH MEETING LOCAL NEEDS

At GEODIS | Freight Forwarding, we focus predominantly on our strategic verticals such as Fashion & Lifestyle and Industrial Projects. However, we also provide smaller but profitable industry solutions to the market. In this edition of New Ground, we take a closer look at the Marine Logistics segment which uses a global approach tailored to local market needs.

### THE USA: SERVING CRUISE LINES AND CARGO SHIPS

"We've been handling Marine Logistics in Miami, LA and Seattle for a while now," says Mark Hedin, Marine Logistics USA Account Manager. "Our two main segments are cruise lines and cargo ships." The team helps cruise lines by handling food provision, including crossdock services in which suppliers drop off frozen, perishable or dry goods to a GEODIS facility, after which GEODIS puts them in containers and ships them across the globe. "Rotterdam is a big hub for us," says Mark. "It is our European Consolidation Centre, with over 20 people dedicated solely to our Marine Logistics customers a huge selling point."

### EXPANDING SERVICES IN MIAMI

The OHL acquisition has resulted in a buildup of the Miami branch for cruise lines, where the team is currently constructing a new, 90,000 squarefoot warehouse as a dedicated receiving and processing centre. "This has already caught the eye of the cruise lines," says Mark. "Management is committed to investing in this new, bigger facility as an enabler of growth and our Ambition 2018, and we will be doubling our staff there."

### SPAIN: UNPARALLELED EXPERTISE IN CUSTOMS AND PORTS

In Spain, Marine Logistics has been in operation since October 1, 2015. They provide traditional services such as Freight Forwarding, Warehousing

and Drydock. However, the team also brings solid expertise for an overall approach that differentiates GEODIS from other companies. "We have deep knowledge of the variety of ports and different customs procedures in Spain," says Jordi Millan Arranz, Marine Logistics Manager Spain. "In fact, we have the permits and authorisations from customs authorities to act as a Customs Broker. We can issue and clear all customs formalities involved in dry-dock and lastmile services at all Spanish ports. Our expertise also extends to port operations, warehousing, sea freight, road freight, and airfreight supported by 24/7 onsite availability.

### UNIQUE LAST-MILE ASSISTANCE ABILITIES

The huge differentiator for the team is their last mile assistance approach. Traditionally, GEODIS would collect goods from the supplier and send them to the port, consigning them to a port agent to deliver the goods on board. In Spain, GEODIS uses local expertise to complete the chain. "It is important for all of our global colleagues to know that we do this," emphasizes Jordi. "Our sister offices in other countries can send shipments to us for lastmile delivery we can deal with the ships, the port authorities, customs and even run reverse logistics efficiently."

This Marine Logistics approach in both Spain and the USA underlines a global approach that leverages our geographical reach, while at the same time providing services tailored to each country's particular needs.

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# HONG KONG WELL PLACED FOR THE APAC E-COMMERCE BOOM

The APAC region is the global leader in B2C e-commerce, with 2016 sales exceeding USD 850 billion and a further increase predicted over the next five years. Our Hong Kong unit is now playing a key role in this e-commerce boom due to its strategic location, customs efficiency and low tax rate.

### WELL-PLACED FOR E-COMMERCE DISTRIBUTION

The rapidity of e-commerce transactions and customer delivery requirements have introduced new efficiency challenges, and it is now more important than ever for the unit to pay attention to the high volumes of small parcels. GEODIS therefore uses Hong Kong as a regional distribution centre for retail logistics. Daily air freight services make Hong Kong suitable for handling time-sensitive overseas e-commerce orders, and a logical location for an APAC/global distribution e-commerce centre.

### CUSTOMS EFFICIENCY AND FREE PORT TAX BENEFITS

"We have a free port with smooth and stable customs," says Maxime Bessiere, Sales & Marketing Director China and Hong Kong. "To

further enhance our offering, we have linked our warehouse online system with customs authorities and courier companies from different countries to generate e-Air Waybills and customs documents. This greatly reduces the time needed for customs clearance, with just a few hours needed to perform import/export declarations." The unit also offers flexible courier selection and online order management, ensuring that their technology matches clients' systems and expectations.

### OPPORTUNITIES FOR SMES AND INTERNATIONAL COMPANIES

Hong Kong's e-commerce solutions are creating new opportunities for Small and Medium Enterprises (SMEs), while also delivering services to a variety of international companies such as Sephora in China and Floship in Hong Kong. This new emphasis ensures that Hong Kong will play an increasingly important role in GEODIS' e-commerce activities in the APAC region – now, and in the years to come.

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# GEODIS EXTRA MILE: A CUSTOMISED SOLUTION FOR INDIAN RETAILERS



### A COMPETITIVE AND CUSTOMISED APPROACH

Retailers across India can now choose from an additional GEODIS India delivery service for their day-to-day requirements – GEODIS Extra Mile. It is designed to optimise the cost-delivery combination, effectively employing cross-dock services to minimise store delivery lead times. This solution will initially be made available in Delhi and the national capital region, and will later be extended to other major cities.

### FOR LUXURY, FASHION, AND HIGH-VALUE RETAILERS

The service is based on customers' requirements for last mile deliveries to their stores in multiple locations within the city, and especially at shopping centres with limited dock doors. "The product was designed by GEODIS India in close coordination with Ashwani Nath, Global Market Line Director – Retail," explains Martijn Tasma, National Sales Director – India. "It is perfect for luxury, fashion, and high-value specialised retailers. Therefore, it includes GPS and other security measures, as well as enhanced visibility

and information flow through our Control Tower, IT systems and e-Solutions. And...all of the trucks use CNG fuel for increased sustainability."

### EXTRA MILE FAST AND EXTRA MILE SAVE

Extra Mile FAST offers 4- to 6 hour delivery in the Delhi area, with dedicated priority deliveries of Full Truck Load (FTL) shipments within specified store delivery windows. Customers who use this option receive priority stock replenishment for urgent shipments, with back-to-back or consolidated service for improved speed to market. Extra Mile SAVE provides consolidation services for Less Than Truck Load (LTL) shipments through 'milk-runs' without specified delivery windows. This allows customers to optimize shelf space while taking advantage of efficient routes.

Extra Mile: an innovative, tailored, flexible and sustainable approach to customer deliveries.

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## INTEGRATING IRIS FOR VISIBILITY AND SPEED



### PUSHING THE BOUNDARIES OF CROSS-BORDER TRUCKING

Cross-border trucking is an extremely important part of APAC logistics. Now, GEODIS Malaysia and Singapore are extending this concept by adding extra value-added features – features that push the boundaries of this vital service.

### LEVERAGING A MULTI-MODAL CONCEPT

The basic service involves domestic trucking in and out of distribution centres for customers in Malaysia, as well as from Malaysia into Singapore. “But we don’t want to be seen as a typical cross-border trucking company,” says Huey Tyng Ong, Regional Commercial & Product Manager, Singapore. “We want to leverage the Asian road network while introducing flexibility through a multi-modal concept that integrates airfreight to meet our customers’ needs.” This enhanced cross-border concept is now bringing benefits to a variety of important APAC customers, including BMW.

### INTEGRATING IRIS FOR VISIBILITY AND SPEED

The team is also using the IRIS e-Solution’s scanner app to introduce enhanced visibility and speed into the process. “Our warehousing, distribution centre and delivery activities can get pretty complex,” says Rene Klein, Managing Director – Freight Forwarding, Malaysia. “We use the electronic scanner app for pick-ups and POD deliveries. Because it is seamlessly integrated with our NextGen system, it provides customers with real-time tracking. And because people can sign electronically using IRIS’ handheld devices, our system speeds up documentation, replacing the paper document return process that can become quite lengthy in Asia.”

This approach signals a clear trend within GEODIS: to adapt services and products to our customers’ regional needs, while making it ‘easy to do business with us’.

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## GEOPAD 3.0 GLOBAL LAUNCH READY

### A TABLET TOOL TO MEET CUSTOMER NEEDS

Our sales people have been using the iPad-based GeoPAD app with their customers for some time now, to quickly match specific logistics services with their particular requirements. “GeoPAD displays all of our products and services, which users can then combine into one or multiple combinations of proposals with just a few clicks,” explains Stefan Arabadjiev, Communications Solutions Manager. “These so-called ‘Solution Summaries’ can be emailed directly to customers as well as archived for future reference, and they form the basis for a concrete offer to our clients.” Key information from GeoPAD is also synched with CRM, so that users can keep a record of customer meetings and other relevant information.

### NEW UPGRADES FOR EXTRA FLEXIBILITY

GeoPAD now has a new, fresh design with a detailed office and customer accounts directory. The solution builder is service-based, using Freight Services, Value-Added Services or eServices as the starting point for greater flexibility. It also includes a trade lanes module for information regarding Incoterms, cargo density and seasonality, as well as a summary of all volumes.

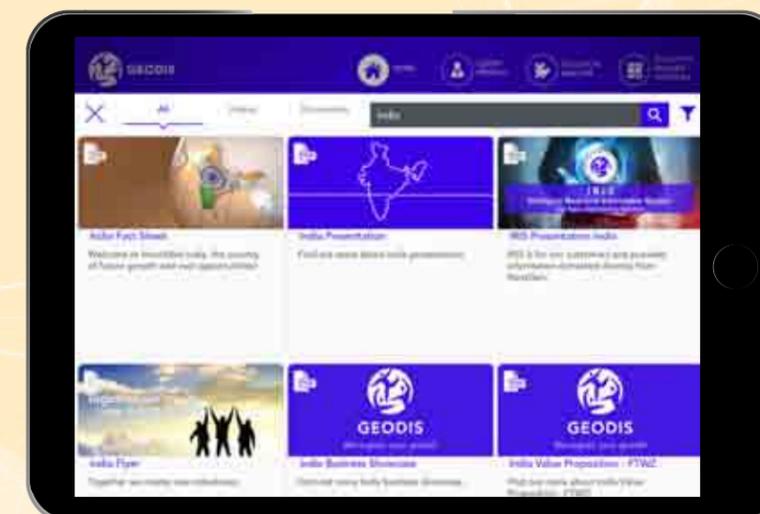
GeoPAD 3.0 includes other new features as well. Guest login can be used for training purposes or by users that are still not added to CRM. A notes module allows sales people to add specific notes or comments throughout the solution building process – notes that can then be used as a basis for minutes of meeting documents. And local news will target the sales force with country-specific news and announcements based on the sales person’s account details (location).

### ROLLOUT BEGINS IN Q1 2017

The most recent version of GeoPAD was launched for internal testing on August 1. “We used feedback from this launch to further improve some of the functionalities,” says Stefan. “We also tackled a few bugs that were discovered during this process. We are now ready to push the new GeoPAD to the entire sales team and plan the introduction and training sessions.” GeoPAD was released to all iPad users in December, and the guided global roll-out begins in January.

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# OUR INNOVATION MASTERS AWARD IDEAS IN ACTION

Each year, our Innovation Masters Awards recognise outstanding and innovative contributions to our company from within our own ranks. In 2016, year, three winners emerged from the hundreds of ideas received. This article looks at these three ideas: RFID for IRIS, Green Airfreight Service, and Operating with Integrator Standards.



**RFID FOR IRIS**

**Originator:** KETAN BADHWAR, Supply Chain Solutions and E-commerce Lead  
**FMB Sponsor:** Dean Devasia

This idea moves beyond the hand-held scanner approach to affix products with RFID chips containing satellite GPS technology, providing 24/7 visibility into products across the supply chain. The RFID chip then provides real-time location information...on the road, in the air or out at sea. "The chips send signals to the satellite, which then communicates with the chip-provider's IT platform," says Ketan. "This platform is integrated with IRIS, so that customers can use our e-Solution to see exactly where their products are."

With its GPS ability combined with temperature and humidity-control features, it is a perfect solution for customers dealing in luxury retail, expensive machinery, pharmaceuticals, and other high-value products. The initiative is currently undergoing a feasibility study. Once that is done, a pilot will be run with a global customer (many of whom have already expressed interest), followed by full roll-out next year.



**GREEN AIRFREIGHT SERVICE**

**Originator:** JAN-WILLEM WESTERINK, Global Account Manager  
**FMB Sponsor:** Eric Martin-Neuvill

The choice of airfreight carriers is traditionally speed and price-driven. However, as today's companies focus increasingly on social and environmental concerns, many are looking for alternatives that offer a more environmentally-sound solution. "I'm a Global Account Manager for a large customer driven by corporate social responsibility," says Jan-Willem Westerink. "In a sense, their best-practice approach and strict adherence to environmental principles inspired me to come up with my idea for Green Airfreight."

"We started off by identifying aircraft types we consider green," says Jan-Willem. "This was followed by a 'tabletop' exercise in which we virtually routed shipments using 'these aircraft, while looking carefully at transit times and costs." The intention is now to run a pilot with this global account as an experiment. The service is intended to offer customers an alternative to regular airfreight if the trade lane allows. GEODIS can study a certain trade lane, and identify the airlines that operate there with modern aircraft and lower emissions. For instance, if a customer does business between China and the Netherlands, GEODIS can give the customer a choice – use the most economic solution, or go exclusively for the carrier with a modern, 'greener' fleet at a surcharge.

Eventually, emission reports could be enhanced to include these customized carrier choices – in customer emission dashboards – according to flight numbers. The calculated per kg emission impact of carrier choice could then be reported back to the customer using hard facts and figures. The use of green airfreight service would provide GEODIS with the opportunity to contribute to the environment with minimal investment, while also achieving a slightly higher margin – increasing our bottom line.



**OPERATING WITH INTEGRATOR STANDARDS**

**Originator:** ANDRE ZAEH, Tender and Implementation Director Asia Pacific  
**FMB Sponsor:** Dean Devasia

A major differentiator between integrators such as FedEx and UPS and freight forwarders such as GEODIS is the formers' ability to provide real-time Track & Trace. This innovative idea brings our company up to these 'integrator standards' by addressing major milestones in the delivery chain. "At GEODIS I Freight Forwarding, we process approximately two million air and sea shipments a year," says Andre. "And each of these shipments requires up to seven mandatory milestone updates – that's 14 million milestone updates. My idea was to subcontract four of the milestones on the House Way Bill level to our subcontractors – that's 8 million milestone updates at an estimated 66,000 working hours."

Here's how it works: subcontractors such as trucking companies, warehouse operators, agents, and so on, download our existing GEODIS Scanner App into their mobile phones or hand-held scanners (for warehousing). They then use it at four of the milestones for barcode or air waybill number scanning for Pick-up, Received Export Checkpoint, Received Import Checkpoint and

**IMA**



Innovation Masters Award

Delivered to Consignee, thereby entering real-time date and time stamp information into our system for immediate access. Other milestones such as customer booking and actual times of departure and arrival are already electronically sent to our system. The idea will save GEODIS EUR 2 million in operating hours – hours that can now be invested devoted to other more productive areas.

Andre ran a successful pilot in Malaysia this summer, and global rollout will start in Q1 of 2017, with full implementation expected by the summer of 2017. "This is a special project for me," says Andre. "When I wrote my thesis in 2002, I stated that the Freight Forwarder who was first able to operate according to integrator standards would have a competitive edge. Now, GEODIS is closing the circle, and I think this says something about our company's commitment to innovation and dedication to our customers."

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## OCEAN FREIGHT UPDATE



Each quarter we provide an executive market summary for you, capturing the latest volume trends as well as an outlook on market conditions and key trade lanes. The main sources for this information are CTS and Drewry...and, of course, our own expertise on the pulse of the market.

### VOLUME TRENDS

Global export volumes increased by 2.8% between January and October 2016, compared to the same period a year before. However, trade volumes from Asia to Europe increased by just 1.2% due to a drop in volumes going to destinations in the Mediterranean area. At the same time, Northern Europe experienced an increase. TransPacific trade experienced a final rush of peak-season cargo towards the end of the year, and the ongoing Hanjin situation has created a challenging capacity situation while prompting rate increases.

### THE CURRENT MARKET SITUATION

The impact of the Hanjin bankruptcy reverberated across the globe last summer, as cargo deliveries stalled, companies scrambled to find different carriers, capacity went down, and rates rose accordingly. Combined with the peak season on trades outbound from Asia, this situation remains in place, but we can see signs of recovery. We expect things to return relatively 'back to normal', albeit with higher rates than before the Hanjin bankruptcy.

### MARKET DEVELOPMENT OF THE MAIN TRADE LANES AND OTHER DEVELOPMENTS

We are seeing a strong year-end rush for freight moving from Asia to Europe and the US. The pre-Chinese New Year rush has also started, resulting in tight capacity and increasing rates. One of the most striking aspects in the current ocean freight landscape is the amount of carrier consolidation going on. Maersk's acquisition of Hamburg Süd will have its eventual impact by end of next year, with the combined company running 18.6% of global container trade. Hapag Lloyd is acquiring UASC, with formalities expected to be completed by the end of 2017. And Nippon Yusen Kaisha, Mitsui OSK Lines and K Line will form a joint venture in early 2018, operating the world's sixth biggest container fleet with 7% of global capacity.

### THE EFFECTS ON OUR CUSTOMERS

What does this mean for our customers? The shipping industry is consolidating, but the effects on shippers and forwarders have yet to be fully seen. Supply and demand is still not in balance, and will continue to cause volatility in both freight rates and the quality of schedule reliability. However, with fewer ocean carriers managing global capacity, we will eventually see better pricing discipline from them, resulting in more stable rates.

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## AIRFREIGHT UPDATE



Airfreight is obviously a vital component of what we do as a freight forwarder. However, it is also susceptible to a variety of market forces. To ensure the best possible service for our customers, GEODIS | Freight Forwarding maintains a keen eye on changing trends and developments in this area. In this article, Chief Operating Officer Eric Martin-Neuville provides a brief market update on the current airfreight situation, and what is expected in the months to come.

### AIRFREIGHT VOLUME SLOWLY RISES

Global airfreight had a relatively weak 1<sup>st</sup> quarter. However, the market started to recover during Q2 to reach a year-on-year growth of 1.1% y.t.d July – keeping in mind that US West Coast strikes affected numbers in 2015. The impact of improving consumer confidence combined with the direct consequences of the Hanjin bankruptcy are bound to positively influence the airfreight market until the end of the year. August already demonstrated a 3.5% increase in tonnage flown year-on-year.

### YIELD REMAINS UNDER PRESSURE

In spite of the return to service of wide-body full freighters enabled by low fuel costs, supply mainly remains driven by the growth of the passenger fleet, with equipment that is much more cargo-friendly than previous aircraft generations. Even with a more balanced supply and demand

### CORSIA: AN HISTORIC AIRLINE CARBON AGREEMENT

The most recent Assembly of the International Civil Aviation Organization (ICAO) adopted a comprehensive resolution to reduce the impact of aviation emissions on climate change. The implementation will support efforts to stabilize emissions with carbon neutral growth, providing a roadmap for action through 2050. Called the Carbon Offset and Reduction Scheme for International Aviation (CORSIA), this historic agreement includes a global goal of two per cent annual fuel efficiency improvement up to the year 2050, a global framework for the development and deployment of sustainable alternative fuels for aviation, and a target of 2013 for a CO2 standard for aircraft engines. The measures will be voluntary between 2021 and 2026, after which they will become mandatory.

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structure, yield remains under pressure. The drop in fuel prices will not provide enough relief to allow meaningful air cargo carrier profitability.

### UPSURGE IN FLOWS OUT OF APAC

Both European and North American inbound flows from Asia suffered from the soft start of the year. But an upsurge in demand driven by increasing consumer demand, the Hanjin demise, and the replacement of the Galaxy Note7 led to a peak in demand out of Hong Kong and China which was reminiscent of the pre-2009 period. European outbound freight capacity towards Asia remains comfortable.

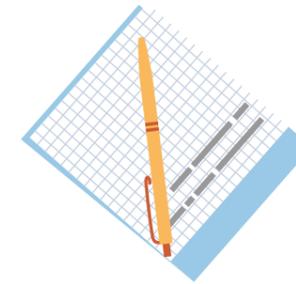
For more information about the airfreight market and the freight solutions we offer, please contact:

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# 2016 GLOBAL CUSTOMER SURVEY UPDATE



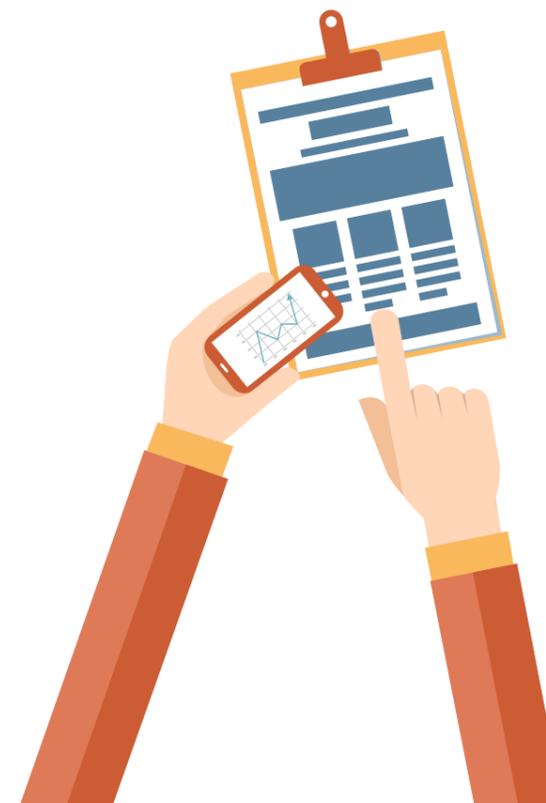
## LINK TO OUR INNOVATION MASTERS AWARD PROGRAM

Our customer survey is not a stand-alone initiative. It is designed to interconnect with business development, CSR, operations and other functions. Therefore we also evaluate submissions to our Innovation Masters Award Program on this customer input. The more an IMA idea supports customer satisfaction, the higher the chance to win.



## THREE KEY AREAS OF IMPROVEMENT

This year's GEODIS Customer Survey is driving three key areas of performance improvement: Handling of Complaints, Invoice Services and Operational Service Quality. "For the Handling of Complaints, we will set up and monitor a central customer helpdesk," says Alisha Anaraki, Regional Marketing & Communications Manager EMEA. "For Invoice Services, we will work towards improving the accuracy, clarity and timeliness of the invoice details. And for Operational Service Quality we will post incident handling measurement, improve the speed in which we communicate an incident/problem, and enhance the timeliness of problem resolution."



## FINE-TUNING THE PROGRAM TO MAKE IT EASIER FOR CUSTOMERS

Every year, our committees meet to review the survey outcome and process – from planning to follow-up actions – in order to identify lessons-learned and find areas for improvement. We do this to make sure we are receiving information that will be most useful for improving our customers' experience through performance improvement. This year, Freight Forwarding will collect input from our network and bring it to the CHO survey team to review and then improve our Global Customer Survey for the coming years.

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## HAMBURG DONATES PAPER TO A LOCAL KINDERGARDEN



### WHAT TO DO WITH 'OLD-BRAND' PAPER

Company rebranding initiatives such as the one GEODIS recently conducted often leave behind materials containing old logos, templates, colour schemes and so on. Early this fall, Stephanie Haddenga from the Hamburg office noticed a lot of boxes of 'old-brand' letterhead paper lying around her office. "The usual thing to do is to recycle paper," she says. "But I thought...surely there must be somebody who could use it before we simply dump it in the blue bin."

### A HAPPY KINDERGARDEN

Stephanie called a variety of educational institutions in Hamburg's St. Georg city-centre neighbourhood until she found Kita Stiftstrasse kindergarden – who were delighted to receive the paper for their arts and crafts activities. On September 8, she and trainee Jonas Kollmeyer searched the entire office building, and loaded an unbelievable 72 boxes with thousands of sheets into a GEODIS company car. They then drove to the kindergarden and delivered the welcome paper – along with some small and playful GEODIS paper boxes.

What a great initiative from Hamburg. Take a look around...do you see any old-brand paper in your office?

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## GEODIS INDIA CELEBRATES CHILDREN'S DAY

Every November 14, India celebrates Children's Day, emphasising the importance of giving love and affection to children – the future of the country. This year, GEODIS India organised Children's Day activities for employees' children, providing a variety of fun and educational activities. 53 children took part at three GEODIS locations: Pune, Gurgaon & Chennai. On October 6, GEODIS Hyderabad joined forces with SNCF and Keolis Hyderabad to support Don Bosco Navajeevan – a home for street children and youth at risk. The event was a huge success as cross-functional teams engaged with the children for an unforgettable experience.

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## GEODIS HELPS AT-RISK CHILDREN IN SPAIN



### HELPING AT-RISK CHILDREN QUALIFY FOR EMPLOYMENT

The PTT Viladecans program provides an educational and professional alternative for teenagers between 16 and 21 years old who have not completed their high school education. It provides basic education to facilitate the development of personal and professional skills required in the working world, enabling them to continue their education or find employment. A recent event – Cruising for Children – saw GEODIS | Freight Forwarding Spain and customer Celebrity Cruises bring a group of 30 teenagers onto the ship Celebrity Silhouette, in the port of Barcelona.

### GOAL: TO MOTIVATE AND ENCOURAGE

"I attended the event with Niko Frzop, Air Planning & Product Supervisor for Royal Caribbean Cruises Ltd. Spain & France," says Jordi Millan, Marine Logistics Manager. "Together, they explained to the participants the types of

professional activities that take place in a port and onboard a cruise ship. The goal was to motivate and encourage the participants to continue and complete their education, which will improve their chances of finding future employment. "We are enthusiastic about this initiative and keen to organise other joint activities," says Niko.

### SUPPORTING THE LOCAL COMMUNITY

This was just the first in a series of events to support Cruising for Children, and Jordi – who developed and launched the initiative – thinks it is a great way for GEODIS | Freight Forwarding to support the local community. Other supporters include the Port Authority in Barcelona and the public transport provider Transports Ciutat Comtal.

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