The Official Journal of The Logistics & Supply Chain Management Society

The Logistics & Supply Chain Management Society
The Regional Professional Body for Logistics Practitioners

LogiSYM

The Magazine for Supply Chain Executives

JANUARY/FEBRUARY 2018

this issue

LATEST MERGER AND ACQUISITIONS NEWS AND LISTINGS 24

LEADERSHIP EXCELLENCE FOR THE DIGITAL AGE 28

LEADERSHIP – A KEY TO BUSINESS SUCCESS – PART 1 32

HOW TO HAVE A CONVERSATION WITH YOUR DIRECT REPORT TO IMPROVE ACCOUNTABILITY 36

Leadership Excellence for the Digital Age

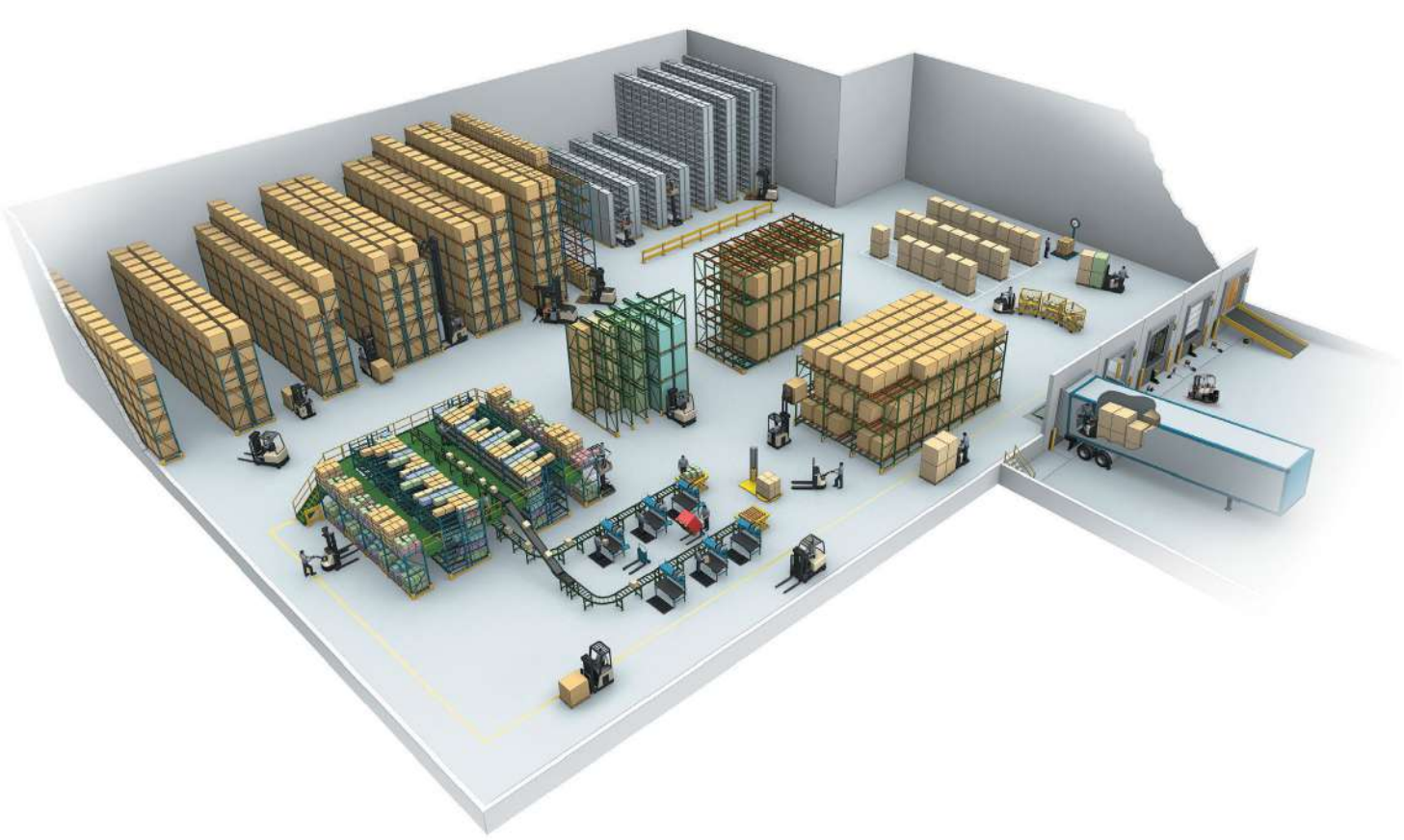
10 Tips for Converting Possibilities into Opportunities

GLOBAL PARTNER OF LogiSYM

دبي التجارية
DUBAI TRADE

Customer Solutions

Lift Trucks for Virtually Any Application



Stacking
Walkie Stackers and Reach Trucks

Transport
Platform Pallet Trucks

Dock & Transport
Counterbalance Forklifts

Narrow Aisle
Reach Trucks

Very Narrow Aisle
Turret Trucks

Indoor/Outdoor
Internal Combustion Forklifts

MAKE EVERY MOVE COUNT...EXPERIENCE THE CROWN DIFFERENCE

To find out how you can improve your business efficiency, increase productivity and reduce costs, contact Crown to arrange an obligation-free consultation and demonstration.

(65) 6690 1888 **contact.apac@crown.com** **crown.com**

DOWNLOAD THE LATEST ISSUE HERE

Contents Page

Feature Articles

28 Leadership Excellence for the Digital Age
32 Leadership – a Key to Business Success – Part 1
36 How to Have A Conversation with your Direct Report to Improve Accountability

Contents

From the Editor 04
A Word From the President 06
Contributors 08
Air News 10
Maritime News 13
Logistics News 16
Supply Chain News 19
E-Commerce/Technology 20
Market Moves 24
Events 39

from the editor

……are there any clues as to what challenges the new world order will bring us in 2018?

Dear Readers,

As we robustly enter 2018, many of us have good reason to be filled with optimism. Our daily dose of economic news is positive and continuously encouraged to invest. The digital age is firmly upon us and the signs are good. However optimism alone is not enough. The experts warn of changes ahead with signals of caution.

I believe that there will be change and that the experts are right to warn us in advance. But I do not believe that changes are negative however they will impact the status quo.

What is it that we should be cautious of and how do we prepare for this? We know that we cannot be fully prepared and ready for every possibility. But we should not ignore the signals. So, how does one identify the signals? For many they may already be immersed in deep change by the impacting events around them.

The current political environment is now more volatile than ever before. Competition between trading blocks and industry sectors are creating new dynamics. ***These new dynamics will drive a new "reset' button for trading and engagement terms.*** Not least the fate of the trade agreements will also have to change to survive. The rules and conditions will forge new perimeters and relationships – references to NAFTA, BREXIT, EUFTAs around the world, TPP11, RCEP – are all enablers but also drivers of change. These new dynamics will create new paradigms to force new regional and world orders which undoubtedly impact our business & operating environments.

The principal drivers to this must be attributed to the political polarisations that are at work. It is these very factors that are greatly underpinning alerts of changes. We see the major power and economic blocks as the key players here. Leadership positioning is clearly up for grabs on regional footings but also on the global stage. This will influence the creation and formation of new balances and alignments.

Adapting to the new trading conditions will be a challenge for many. Anticipating the changes and preparing for the impact will be crucial. Using the most important levers in your business portfolio that will enable the transition, attain the new balance and minimise disruptions. A time to seriously review how well prepared and enabled your supply chain is to meet the challenges ahead.

In February, LogiSYM goes to Dubai (13th & 14th February 2018) where we are excited to see at first hand the achievements and the ongoing developments in the regional supply chain pillars, players and planned future programs!

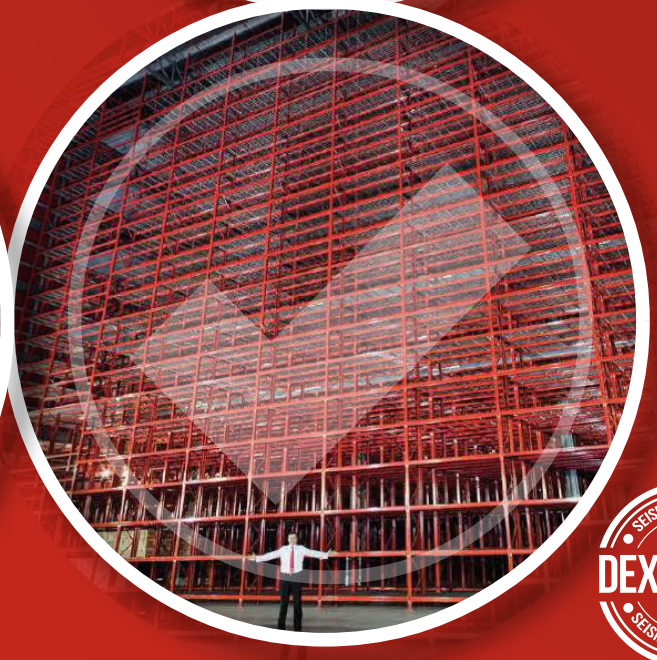
In this edition, we have also several news updates, interesting and enlightening articles and contributions on people and management – topics which are most crucial to the development of the Supply Chain Industry across regions as well as globally.

As usual I look forward to receiving your feedback at **info@lscms.org** and even publishing an article of yours.

Joe Lombardo
Editor in Chief

DEXION 808

Designed for • ASRS high-bay warehouses • Multi-tier Mezzanines
• Dexion Auto Shuttle • Rack clad buildings



SEISMIC COMPLIANT
DEXION 808
SEISMIC COMPLIANT

Founded on innovation, the Dexion 808 is designed to maximise space, productivity and tested to the highest international standards.
Contact our Sales team for a consultation at contact@dexion.com.my

DEXION®
Smarter thinking.

dexion.biz

a word from the president

Here we go!

For most of us, the year is well under way. As always, Logisticians continue to face a number of dilemmas and this range from the more mundane issues, such as how to attract, hire and retain the best talent - especially when the company's culture is not supply chain oriented to when is a good time to start a major transformation programme or what and how to select and deploy tools or systems which truly fit future business needs.

It is never a good time for any of these and unless you have been living under a rock, it is hard not to notice that most supply chains organizations, be it shippers or service providers, are fast entering uncharted waters. Waters that are underpinned by rapidly developing technological and market factors – with a lot of accompanying noise!

Digitalization, Industry 4.0, blockchain technology and data analytics are all buzzwords and many are here to stay but to compound the situation, organisations need to navigate these waters whilst dealing with consequent organizational, talent, and performance management challenges and continuing to evaluate ways to break functional silos for cross functional and organizational, supply chains that are nimble.

Some of these disruptive technologies further widen the gap between industry laggards and leaders and what I find personally annoying is the fact that there are a number of so called experts who have joined the fray and promulgating misleading and inaccurate information. As the word digitalization gets bandied about and is heralded as the next phase of the industrial revolution, common misconceptions arise. What is simply automation is often used interchangeably with digitalisation. Automation is simply operationalization of manual processes through a system which results in a faster but not necessarily a "smarter" solution. Digitalization on the other hand is the deployment of leading technology enablers such as those mentioned in the preceding paragraph.

If you're not changing or are slow to change, then you will be left further behind and the threat of disruption will become very real but is punting on the wrong horse a better alternative. It's certainly a dilemma we all face.

I hope some of what I am saying resonates with your business concerns and gives you pause for further consideration. These are just some of the topics that we address in the following pages of this month's issue and which we will be exploring in greater depth in LogiSYM Dubai. I hope to see you there.

As always, if you would like to share your comments and experiences, please send do not hesitate to send them to us at **info@lscms.org**. We will be happy to receive them.

It has been an exciting 2017 for us at LogiSYM, and we would like to wish you and your loved ones a wonderful 2018 as we herald in the Year of the Dog!

Raymon Krishnan
President
The Logistics & Supply Chain Management Society

DP World Invests Over US$1bn in Global Trade in 2017

A series of acquisitions, technology tie-ups and sustainable business achievements all formed part of the activities that saw the global trade enabler expand its business horizons across the world.

Some of the key highlights from 2017 for the world's fourth-largest port operator include the opening of its expansion at Prince Rupert in Canada, launch of a new cruise terminal in Cyprus, a new logistics centre in Kigali (Rwanda) as well as a new terminal project in Posorja (Ecuador). In the Americas, DP World took 100% ownership of Embraport in Brazil. In Asia Pacific, the conglomerate oversaw the consolidation of Pusan (South Korea), while in Africa it began officially operating DP World Berbera port (Somaliland) under a 30-year concession.

DP World Group Chairman and CEO Sultan Ahmed Bin Sulayem credits the "stronger than expected" recovery in global trade for its achievements last year, adding, "We are on course to deliver approximately 10.0% growth in gross volumes for 2017, and look forward to continued growth in 2018." In addition to strategic infrastructural investments throughout Asia and Africa and the addition of Dubai Maritime City and Drydocks World to its UAE footprint, DP World also stepped up container handling productivity at our flagship Jebel Ali Port, adding over 1.5 million TEU to Container Terminal 3 (T3) and added the coveted Dubai Quality Award to its list of achievements. In keeping with its humanitarian commitments, the group also joined the United Nations Logistics Emergency Teams (LET), supporting the development of Hyperloop technologies that could revolutionise the movement of goods across continents.

"All of this happened to a backdrop of continued revenue growth, proof that we have a robust portfolio of businesses and a successful strategy to ensure the sustainable growth of our company," Bin Sulayem added.

Given the promising outlook signalled by its performance last year, the Chairman has also indicated plans to continue investing about US$1 billion every year for the next three years.

Between 400 and 500 large dry bulk carriers are waiting to unload coal in Chinese waters as congestion at Asian coal ports builds up, according to data from Thomson Reuters Erikson.

The ships are said to be idling outside Shanghai, Ningbo and in the Gulf of Zhili, serving the ports of Tianjin, Coafeidian, Qinhuangdao and Bayuquan, according to World Maritime News.

The figure has jumped sharply from over 100 loaded ships that were reported to be stationary off the southern and eastern coasts of China as at October 31, as informed by Platts back in November 2017.

Delays have also been reported at ports in Indonesia's Kalimantan island as a result of huge rainfall.

Specifically, around 100 bulkers, predominantly located at Samarinda and Taboneo, are pending loading of their cargo, Reuters reported, with some of them waiting for over two months.

The bottlenecks were reported first at the beginning of 2017 and have spilled over into the new year. The delays and congestion have seen coal prices shoot up supported by the insatiable appetite for the commodity from China and India.

The surge in idle vessel numbers comes on the back of the introduction of restrictions on coal imports at a number of China's major ports, including Guangzhou, Xiamen and Zhoushan, in late August. Tough market conditions are likely to persist until the Chinese New Year in February.

Essar Ports Finalizes Investment in Salaya, Vizag Terminals

India's port company Essar Ports Limited (EPL) has finalized an investment of INR 28 billion (USD 441.5 million) in its Salaya and Vizag terminal projects.

The company aspires to increase the company's revenues by 30% in fiscal year 2018-19 on the back of third-party cargo growth.

"The two fully integrated and automated facilities at Salaya and Vizag further the goal of port-led development set by the Government of India and our Hon'ble Prime Minister Shri. Narendra Modi," said Rajiv Agarwal, CEO-EPL.

The company recently started commercial operations at its 20 million tonne dry bulk terminal at Salaya with the berthing of its first vessel. The facility, the first deep-draft terminal in the Saurashtra region, has been designed to berth Capesize vessels with a vessel turnaround time of less than two days.

The Salaya terminal, which has been built at a cost of INR 20 billion, is capable of berthing vessels of up to 100,000 dwt, while handling commodities like coal, bauxite, limestone and fertilisers, including both export & import cargoes.

"The business potential of this asset is tremendous since this is the first deep draft terminal in the region. Quick turnaround and our ability to handle vessels up to 100,000 DWT will give a significant competitive edge to our customers," purports Deepak Sachdeva, CEO of the company's newly established Salaya arm.

On the east coast of India, EPL's Essar Vizag Terminal Limited (EVTL) is executing an INR 8.3 billion expansion project aimed at upgrading the iron ore handling capacity of the Vizag Terminal from 12.5 mtpa to 24 mtpa. EVTL recently commissioned an 8,000 tonnes per hour ship loader, which has increased its cargo handling rate from 70,000 tonnes per day currently to 120,000 tpd.

Following the commissioning of the expansion project, the facility will be able to berth vessels up to 200,000 dwt, with a depth of 18 metres, on the outer harbour of Vizag Port.

Essar Vizag Terminals Limited (EVTL) took over the Vizag Port expansion project in May 2015 on a Design-Build-Finance-Operate-Transfer (DBFOT) basis for a period of 30 years. Since then, the company has ramped up the iron ore loading capacity of the terminal from 25,000 tonnes per day to 70,000 tpd.

2018 Could Be a Defining Year of Global Ports Industry: Ince & Co

International law firm Ince & Co. advises port operators to expect a year of transformation ahead.

Shifting economic trends, trade flows and global demographic patterns as well as changes in port ownership and ongoing investment in modernization and expansion will be the key drivers of this transformation.

"Recent years have been marked by changing fortunes across the world's ports," Ton van den Bosch, head of Ince & Co's global ports & maritime infrastructure practice told World Maritime News.

A key driver of the shift for ports in Asia and Africa is China's Belt and Road Initiative, Van den Bosch said, adding that the project's impact will becoming increasingly apparent starting this year. China has invested USD 20 billion in ports and terminals alone in the past 12 months alone.

One area that Ince & Co sees as being of particular commercial value to operators planning for 2018 and beyond is a shift towards gateway

operations, rather than transhipment. Changing trade flows in Asia and Africa are already creating captive markets ready to be tapped, according to the firm.

"When we look at countries like Congo or East Timor, we clearly see operators scrambling to establish gateway terminals to open up these markets to global trade," Van den Bosch said.

"This is a pattern that is repeating all over the world: Belt and Road investment improves local infrastructure and transport links, and operators move in to build. Put bluntly, cargo volumes needing to reach localized geographies in these frontier markets have few other choices. Port operators that can lead this trend and get into these markets early will be able to build themselves as a lasting and indispensable presence to these nations."

While the rapid consolidation in the industry might be concerning smaller port operators, Bosch emphasizes that small operators can still compete effectively if they can secure funding. However, while opportunity abounds, financing is still expected to remain a challenge for 2018 in emerging markets.

"The most successful operations will be those with a strategy for the long-term and one that is built to reflect wider economic trends," he adds.

> "The most successful operations will be those with a strategy for the long-term and one that is built to reflect wider economic trends

Ton van den Bosch
Head - Global Ports & Maritime Infrastructure Practice
Ince & Co

Rutgers Business School Asia Pacific is a subsidiary of Rutgers, The State University of New Jersey (USA). Rutgers offers the highly ranked Executive Master of Business Administration (EMBA) Program to senior executives in Singapore. In addition, open enrolment and customised Executive Education programs for both individuals and corporates are also available. To find out more, please contact us at 6805 4005.

rutgers.edu.sg/logisym

Crane Worldwide Logistics opens its doors in the Kingdom of Saudi Arabia this month with a fully-operational office based in Dammam. Covering airfreight, ocean freight and logistics services, the operation is strategically located in Al-Khobar that is served by King Fahd International airport and King Abdul Aziz Port.

"Saudi Arabia is seen by ourselves and many of our clients as an upcoming logistics hub. With economic diversification as a focus, commercial growth is paving the way for transport infrastructure development particularly at airport and ocean ports" comments Gerard Ryan, Regional Vice President EMEIA.

"It is an exciting time for us to be opening our doors in Saudi Arabia with our experienced team, we openly invite new clients to try our technology, products and services and discover why Crane Worldwide is highly recommended by others in the Middle East region", he adds.

"Our new operation in Saudi Arabia is yet another step forward in our commitment to our client's business in the Middle East," comments John Magee, President and CEO at Crane Worldwide Logistics. "As the major crossroad between Asia, Africa and Europe, having our own offices in strategic locations across the Middle East region will provide us with the opportunity to expand the services and benefits we are currently offering our clients in other regions."

Crane Worldwide Logistics also has its own entities in both Dubai and Abu Dhabi with business across a number of sectors including Automotive, Aerospace and Energy.

Linfox Announces Executive Shake-Up

Third-party logistics company Linfox has announced two major updates to its senior leadership team.

After over three years in the role of CEO, during which time the company exceeded its financial, new business and safety targets, Annette Carey has now joined the Linfox Logistics ANZ Board as a non-executive director.

"Annette joins the Board as Linfox continues its growth following recent acquisitions," said Peter Fox, Executive Chairman, Linfox.

"Her appointment reflects the value Annette brings to Linfox and the respect in which Annette is held by both Linfox and the industry.

"I thank her for her time as CEO and welcome her as a non-executive director to the Board."

Mark Mazurek will take over Carey's responsibilities as CEO of Linfox's ANZ business on 1 February. Mazurek joined the company in 2006 and has held senior leadership positions across Linfox, including in the Intermodal and the Resources and Industrial business units.

"Mark has been central to the acquisition of Aurizon assets in Northern Queensland and the development of strategic facilities such as our new Darwin railhead," added Fox. "Mark brings exceptional acumen along with new thinking and energy."

Fox noted that the leadership changes reflect the company's "continued renewal" to meet the needs of its customers.

"Our industry is evolving and we are well positioned for future growth," he said. "In the past 12 months, Linfox has renewed its leadership team, and we will continue to do this as the industry develops to ensure that we meet the needs of our customers."

More than two-thirds of regional industry executives polled for the Gulf Intelligence GIQ survey indicated geopolitics to be their primary source of concern in the Middle East and East Asia (Korean Peninsula), replacing oil supply cuts by OPEC and non-OPEC countries as the biggest driver of crude prices in the coming year.

With breakbulk in the Middle East relying heavily on the oil and gas and construction sectors for business, a rise in oil prices, and therefore a subsequent increase in investment and demand for services will come as welcome news to the sector.

In the aftermath of oil prices crashing below US $30 a barrel in early 2016, the Organization of Petroleum Exporting Countries and 12 non-OPEC states finally agreed to slash total production by 1.8 million barrels a day in 2017, and in subsequent pacts committed to extend the cutbacks right through until the end of 2018.

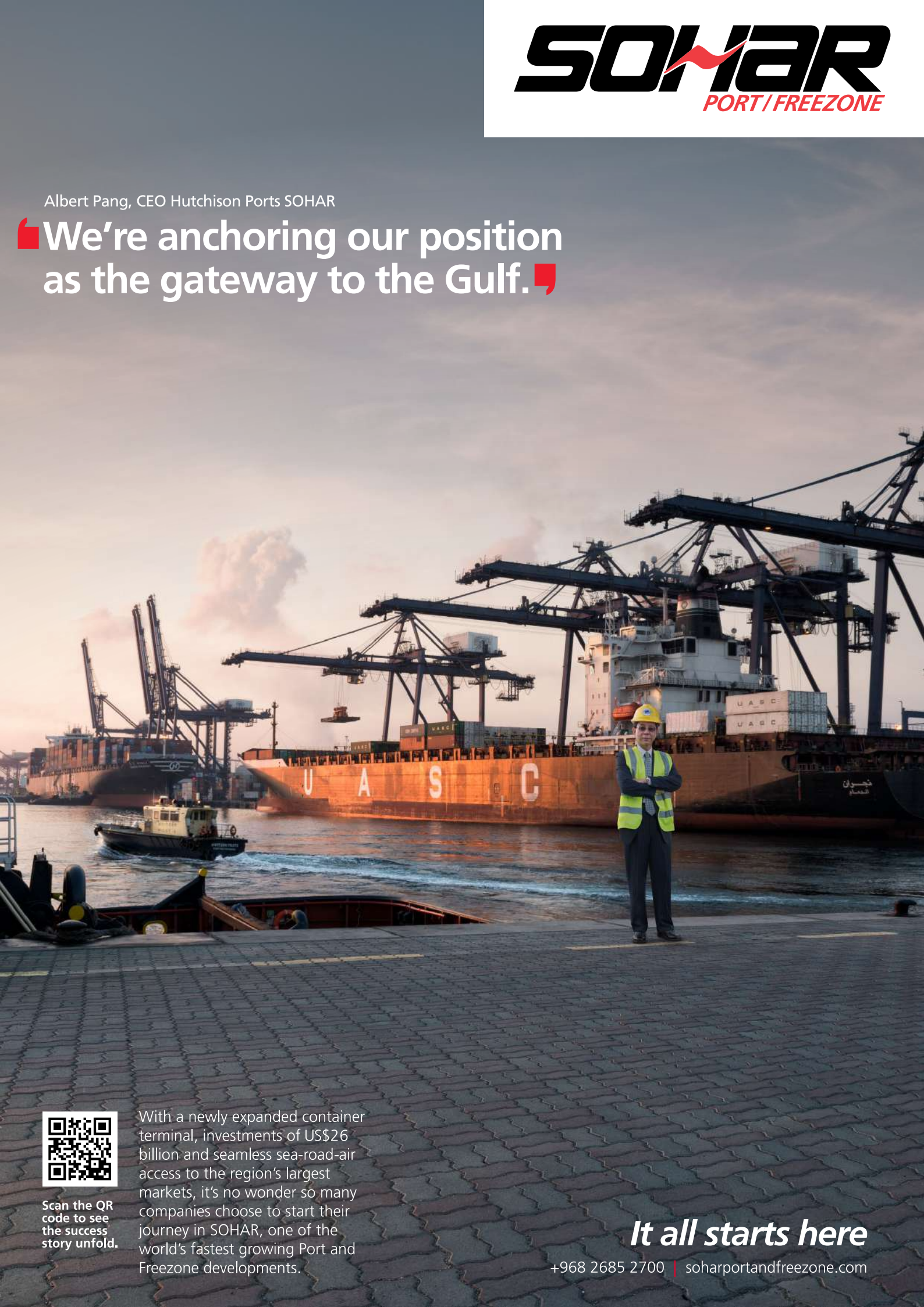
"Let's be honest: 2018 doesn't feel good. Yes, markets are soaring, and the economy isn't bad, but citizens are divided. Governments aren't doing much governing. And the global order is unravelling," Ian Bremmer, president of the EURASIA Group, said in the think tank's annual report on the top political risks facing the world.

"In the 20 years since we started Eurasia Group, the global environment has had its ups and downs. But if we had to pick one year for a big unexpected crisis—the geopolitical equivalent of the 2008 financial meltdown—it feels like 2018." he added.

SOHAR
PORT / FREEZONE

Albert Pang, CEO Hutchison Ports SOHAR

"We're anchoring our position as the gateway to the Gulf."



Scan the QR code to see the success story unfold.

With a newly expanded container terminal, investments of US$26 billion and seamless sea-road-air access to the region's largest markets, it's no wonder so many companies choose to start their journey in SOHAR, one of the world's fastest growing Port and Freezone developments.

It all starts here

+968 2685 2700 | soharportandfreezone.com

Saudi Arabia, UAE Introduce VAT in GCC

On January 1, 2018, Saudi Arabia and the UAE made five per cent Value-Added Tax (VAT) effective in their respective countries, setting a precedent on which the rest of the GCC is expected to follow over the next few years.

The introduction of VAT is the latest in a series of measured introduced by Gulf oil produced over the past few years to boost revenues and cut spending as a persistent slump in world prices has led to ballooning budget deficits. While the sales tax applies to most goods and services, it is mostly exempt on healthcare, primary and secondary education, international transport, first sale/rent of residential buildings and exported goods and services. Analysts project that the two governments could raise as much as $21 billion in 2018, equivalent to 2 per cent of GDP.

Businesses with an annual revenue exceeding AED 375,000 (US$100,000) are required to register and prove VAT compliance to tax officials. The UAE's VAT law has provisions for conditions under which businesses can recover VAT paid on inputs. The UAE law states that the input tax that is recoverable by a taxable person for any tax period is the total of input tax paid for goods and services which are used or intended to be used for making any taxable supplies.

While concern abounds around the impact of the tax on purchasing power and overall cost of living, IMF's Middle East office predicts that of the impact of VAT is expected to be blunted by the supply chain.

Aramco, Partners Form International Maritime Industries JV Company

Saudi Aramco has partnered with Lamprell Plc, the National Shipping Company of Saudi Arabia ('Bahri') and Hyundai Heavy Industries Co. Ltd. (HHI) to launch International Maritime Industries (IMI) joint venture. When fully operational in 2022, this integrated maritime yard will be one of the largest full-service maritime facilities.

This new joint venture localizes essential links for Saudi Aramco's supply chain related to offshore drilling and shipping activities, which will lead to optimized cost, reduced response times and improved agility for Saudi Aramco and its affiliates.
The nearly 12 million square-meter facility will be the largest in the region in terms of production capacity and scale offering an unprecedented mix of products and services. This scope enables Saudi Aramco and its supply chain partners to meet their manufacturing and MRO requirements for offshore oil and gas rigs, offshore support vessels, and commercial vessels, including Very Large Crude Carriers (VLCC). The yard has an annual capacity to manufacture four offshore rigs, over 40 vessels including three VLCCs, and service over 260 maritime products.

"By meeting Saudi Aramco's offshore production and transport needs, International Maritime Industries will serve our strategic intent to become the world's foremost integrated energy and chemicals company," said Abdallah I. Al-Saadan, Chairman of the JV's Board of Managers and Saudi Aramco's Senior Vice President of Finance, Strategy & Development.

He further stated, "What is unique about IMI is the powerful synergy of manufacturing and operational excellence delivered by four established global and regional entities in the energy and maritime industries." According to the Chairman, IMI already has orders for more than 20 rigs and 52 ships over the next decade which illustrates "the trust of the JV partners in the Company's ability to produce quality, bespoke ships and rigs in line with national and global environmental requirements".

Initial production and service operations are expected to commence in 2019, with the facility reaching its full operational capacity by 2022. This initiative will contribute towards localizing expertise related to the maritime industry and job creation in the Kingdom.

- *Retail eCommerce volume in the region to touch US $87.8 billion by 2025*
- *Parcel shops to book, manage, track and deliver to the end customer - making eCommerce convenient for the seller and consumer*
- *FarEye's technology is enabling paperless delivery of parcels to companies and homes alike, across the world this holiday season*
- *FarEye's technology is aimed towards major enterprises and logistics firms globally - sees strong enterprise demand*
- *Technology has been designed to meet the huge demand for fast electronic parcel facilitation in the logistics sector, as well as for end users – particularly with the growth of eCommerce and online shopping, providing major benefits to e-tailers, and SMEs who demand fast and convenient delivery services*

FarEye, a digital logistics platform, today announced the South East Asia launch of its flagship product Drop&Pick, a flexible, cloud-based web and mobile application to enable parcel shops. Targeted primarily at logistics firms, Drop&Pick lets them easily set up local stores as automated parcel shop hubs to meet the growing demand for fast, convenient parcel dispatch and collection. Global logistics firms already signed up for Drop&Pick include DHL, DTDC and First Flight.

Leveraging the explosion of eCommerce in the region, which is expected to touch US $87.8 billion by 2025 from US $5.5 billion in 2025, FarEye's Drop&Pick application lets local stores book, manage, and track parcels on behalf of logistics firms and their end customers. With Drop&Pick, logistics companies benefit from real-time visibility and up-to-the-minute data about their parcel dispatch and delivery processes, and end customers benefit from more delivery choices, as well as event alerts and notifications. With Drop&Pick, online shoppers also have the option to change their delivery preferences from, say, a home delivery to a parcel store pick up even after the order has been placed, making the service incredibly flexible.

Built on top of a Business Process Management (BPM) framework, FarEye's Drop&Pick technology can be configured to meet a logistics company's exact business requirements. It can be quickly and easily integrated into logistics firms' existing IT workflows and processes, thereby minimizing disruption and infrastructure costs, while making it faster and easier to launch compelling new services.

'Drop&Pick' follows a key three phased - book, manage and deliver process, which is based around a simple to use and intuitive mobile application. The mobile application allows parcel shops to act as a local hub for online shopping returns, on behalf of logistics firms. Parcel shops can quickly register a parcel, capture the sender's details (including handwritten information), add the recipient's details, and calculate shipping fees, where appropriate, based on parcel size; multiple payment options are supported, including prepaid, wallets and cards.

The parcel shop personnel can also book multiple parcels under one sender ID. In the back end - data entry processes convert images to actual data. The parcel is then handed over to the courier and electronic proof of transfer is collected, who then delivers to the end customer and once again, receives electronic proof of delivery from the customer.

"As today's digitally connected shoppers demand lower prices, greater convenience and a seamless experience when buying, receiving and returning goods, logistics companies need to rethink their delivery processes in order to compete and survive in an increasingly crowded and competitive delivery marketplace," says Kushal Nahata, Co-Founder and CEO, FarEye.

"There is a sharp increase in online sales in India in the last few years and both sellers & buyers require smart and efficient dispatch & delivery of goods as quickly as possible. The global ecommerce market is about 2 trillion USD and FarEye with its technology excellence is integrating into the systems of major logistics service providers, helping them capture this market. Our Drop&Pick technology is seamlessly integrated into existing IT processes, which means logistics service providers can very quickly and easily develop innovative and value-added services to help them tap into new revenue streams and enhance their customers' experience. Our Mobile Application for Parcel Shop Delivery is a key aspect of the technology, which is being used by many of our clients including DHL. We expect to see the use of this technology across many key markets in 2018", Nahata adds.

Eniverse Technologies Revolutionizing the Future of Logistics Through Autonomous Drones

The traditional supply chain that we've all come to know are no longer one-dimensional. In today's day and age, technology is the driving force behind evolving processes that make it possible to run the day-to-day business tasks smoothly. Eniverse Technologies, a Dubai-based technology group, is revolutionizing the world of supply chain logistics, adding a whole new layer to the coordination of distributing goods to the end user.

Eniverse Technologies has partnered with Skycart to bring the first autonomous drone-delivery system the Middle East has seen. These drones function completely autonomously from pick-up to delivery, promising a delivery time of 30 minutes or less; increasing efficiency, putting less cars on the road and improving the way companies conduct business. This is ideal for businesses as it eliminates the need for drivers and delivery personnel, saves time through fast delivery and increases efficiency by allowing management to focus on other aspects of the business.

Drones developed by Space Autonomous Drones, a company under Eniverse Technologies, will disrupt the supply chain in the Middle East by potentially working with companies currently dominating the industry (such as Souq, DHL, Amazon, UPS, Aramex, etc.), and collaborating with them to build a strategic system to further improve how goods are shipped and received. Eniverse will offer smart drone shipping solutions with cost savings and faster delivery times, which will give companies the opportunity to maximize profit margins and provide an overall better customer experience to clients with the extra resources.

A traditional supply chain model presents many limitations to companies when resource planning and trying to conduct business and may require the end user to go through multiple steps to acquire an item. For example, if a friend recommended a new album to listen to, back in 1985, the process to acquire this new album would be quite different than it is today. Back then, you would need to get into your car or some form of transportation, drive to the record store, pick it up and drive back home to listen to it. Today, by simply sharing a link to the song or album via a music streaming platform, with the tap of a finger it becomes available without the need to even get out of your seat.

The digitalization of many business processes has drastically evolved over the years, cutting costs, saving time and maximizing profits. Eniverse Technologies is now playing a massively prominent role in the continued evolution by further cutting costs and making it easier for both businesses to plan their resources and for the end user to manage their time via autonomous drone delivery.

A network of autonomously flying drones will be able to carry mail and other items to the desired location in under thirty minutes through a seamless UAV network. This location-independent service offers convenient shipment handling, eco-friendly technology and fast pick-up and delivery at affordable prices.

This mutually beneficial relationship between the company and the end user has transformed day-to-day business by making it possible to cut out the middle-man and reduce costs for all parties. This is only the beginning; and further developments and improvements are yet to come for this model in Dubai, the Middle East and soon the rest of the world.

INTTRA, the largest neutral electronic transaction platform, software and information provider at the centre of the ocean shipping industry, and Info-X Software Technology today announced the newest service offering from the companies' longstanding partnership.

Info-X, a premier logistic software solutions and back-office service provider for global NVOCCs and Freight Forwarders, has integrated its new cloud-based transportation management system with INTTRA's robust booking engine enabling communication between numerous parties across INTTRA's network. United Cargo Management (UCM), a prominent US-based NVOCC, piloted the new system to accept electronic bookings and shipping instructions from their customers, ensuring speedier cargo bookings and providing real-time cargo tracking and tracing that was previously unavailable. Carlton W. Blair III, CTO of UCM, said, "With this technology-driven platform, Info-X and INTTRA have proactively addressed the problems related to cargo bookings faced by many shippers and NVOCCs."

"INTTRA is the neutral network at the centre of the ocean shipping industry and a valued partner for our platform," said Rishi Parti, CEO of Info-X. "Info-X strives to differentiate through innovation. With INTTRA driving our solution, we'll work to lower the communication barriers between shipper and NVOCCs seeking real-time visibility and automation."

"Info-X is known for helping customers address the complexities of global transportation with tools that are flexible, efficient, and easily adaptable to existing business processes," said Sherrie Orzechowski, Vice President of Strategic Alliances, INTTRA. "We're thrilled to expand our relationship with Info-X to address challenges to drive efficiency and cost savings across the industry to the benefit of our mutual customers."

PTV GROUP
the mind of movement

CAN YOU CALCULATE WHICH LOADS BRING A PROFIT?
WHICH ARE BREAK EVEN?
AND WHICH WILL ACTUALLY COST MONEY?

Let PTV introduce you to our route planning software, developed to assist transport planners with day to day challenges as well as help to uncover hidden costs.

PTV MAP&GUIDE
Transport cost calculation and route planning

PTV SMARTOUR
Professional route optimisation and vehicle scheduling

PTV X SERVER
Software components for 3rd party solutions

PTV DRIVE&ARRIVE
Sharing the estimated time of arrival

PTV NAVIGATOR
Real-time navigation for trucks

Contact:
PTV MENA Region DMCC
Mr. Nektarios Triantafyllidis
Mob: +971501158636
Email: Sales.logistics.mena@ptvgroup.com

PTV. The Mind of Movement.

The world is in constant movement. In 2050, the Earth will be populated by an estimated 9 billion people, 70 percent of which will be urban. Technological progress and social trends will fundamentally change mobility as we know it today. Planners and users of transportation are thus faced with great challenges. How do we ensure that the world keeps moving? By looking at transport and logistics as a whole.

PTV Group takes a holistic approach that integrates all aspects of traffic, transport and logistics to create and promote sustainable mobility. Recognised as global market leader, PTV develops intelligent software solutions for transport logistics, traffic planning and traffic management. Thus cities, companies and people save time and money, enhance road safety and minimise the impact on the environment. Based on its unique expertise in every facet of mobility, PTV ensures that people and goods arrive at their destinations safe and sound, and on time. In the Logistics business field, their portfolio ranges from software for scheduling transport routes and trips to distribution planning and fleet management, including truck navigation and parking. A special online service provides real-time transparency during the transport process and across the entire supply chain.

In the Traffic business field, they offer state-of-the-art technologies for traffic planning, transport network modelling and simulating across all modes of transport, including real-time traffic management as well as Mobility-as-a-Service (MaaS) solutions.

The company is winner of the Global Market Leader and Best of German SMEs awards. PTV has made itself a name as a successful B2B market vendor on growth track. Their expertise in every facet of mobility is unique worldwide. PTV supports decision-makers and users in taking the right steps for the future.

They are trusted by customers from over 120 countries worldwide. More than 2,500 cities deploy PTV products. Trips and routes for over one million vehicles are planned with their software. The European transport model, which encompasses all passenger transport and freight movements in Europe, is developed using PTV software.

PTV currently have more than 700 colleagues worldwide committed to driving the high performance of our products. PTV's headquarters, located in the heart of the Karlsruhe technology region, house the company's centre of development and innovation. From here, PTV plans and optimises everything that moves people and goods worldwide – it's the central idea which has accompanied the Group since its foundation in 1979.

Indian E-Commerce Market on Track to Exceed US$50bn Value in 2018

India's ballooning internet population and soaring numbers of online shoppers could lead the digital commerce market in the country to grow as much as 20%, predicts a joint study led by research firms Assocham and Deloitte. In addition to rising mobile and internet penetration, m-commerce sales, advance shipping and payment options as well as value for money promotions, the unprecedented growth of the sector is also being driven by penetration of international markets by online businesses in the country, the report suggests. Revenues are expected to rise as much as ten-fold this year.

While cash-on-delivery remains the most popular mode of payment in the industry, the research found that about a third of customers in tier-1 and tier-2 cities in the country prefer mobile transactions. The study further highlighted that over 70% of online shoppers in India are under 35 years old.

According to the study, highest selling products in the Indian e-commerce market in 2017 included mobile phones, apparel, food items and jewellery.

MARKET MOVES

Global Mergers and Acquisitions News

In conjunction with Logistics Executive Group Corporate Advisory
www.LogisticsExecutive.com

2018 Likely to Remain Strong for M&A in the Logistics Sector

With a solid 2017 behinds us. 2018 has kicked off exactly where it was left – M&A's in Logistics are in high demand. Investment bank JP Morgan issued its 2018 outlook for transportation and logistics, selecting winners and losers in sectors like parcels, railroads, truckload carriers, logistics companies, and intermodal.

The company sighted positive macro trends including elevated valuations, tax reforms and high expectations for increased truckload rates in 2018. Although they were quick to point out that risk factors included anticipated rising interest rates, margin squeeze, the expectation that geopolitical uncertainty and tight labour markets will have an impact.

JP Morgan prefers asset-light brokers based on their flexibility navigating a truckload rate cycle initially led by a cost-push from driver pay, combined with an expected tilt toward more spot capacity vs. contracts—rising rates and more action on the spot market should keep brokers' balance sheets healthy in 2018 despite the longer-term threat of disintermediation from emerging digital technologies.

Another rumour that has some weight is Amazon. Amazon still appears to have an appetite for M&A this year which will significantly impact the logistics landscape. Amazon continues to look to cement its position in new and old markets including retail, grocery, pharmacy, beauty, logistics and even autonomous technologies.

The Middle East is certainly on Amazon's radar following its acquisition of Souq.com and desires to expand into Saudi. There remains a strong expectation that Chinese companies' buying spree in the logistics industry, bolstered by the Belt and Road Initiative, will continue to gather pace following the large deals seen in 2017. According to Grisons Peak LLP, a London-based boutique investment bank, the aggregate amount of Chinese firms' equity investment or mergers and acquisitions into logistics businesses reached $32.2 billion through mid-December 2017, more than double the $12.9 billion seen in all of 2016. 2018 could be the year that this tops out as ports, railway and infrastructure becomes a greater target.

The trend of logistics industry M&As is set to continue over the next few years, according to Bob Gill, general manager for Southeast Asia at ARC Advisory Group. "There is still room for consolidation in the logistics industry ... Money coming out of Asia, especially China, to buy developed market assets is likely to be a rising phenomenon."

DFDS acquire Dutch logistics provider Alphatrans

DFDS has wholly acquired Alphatrans, a Dutch LSP specialised in transporting long, wide, high and heavy loads. With 197 employees and a fleet of 720 trailers and 125 trucks, it claims to be one of the largest flatbed trailer operators serving mainland Europe, the UK and Ireland. The company has offices in the Netherlands, Belgium, Germany, the UK, Ireland, Hungary, Romania and Portugal. The previous owner of Alphatrans, Martin Bos, will continue to manage the business.

Future Group in talks to buy Snapdeal's logistics arm

According to reports by The Economic Times, Future Group, India's largest retailer, is said to be in talks to buy online retail platform Snapdeal's logistics arm Vulcan Express for about Rs50 crore in an all-cash deal. Both parties declined to comment.

U.K. logistics group FTA acquires TrainingTeam to spread dangerous goods knowledge

U.K.-based logistics advocacy organization Freight Transport Association (FTA) has acquired TrainingTeam, a provider of dangerous goods and security training, with a focus on air cargo security and the movement of dangerous goods by air, road and sea. Given FTA's already substantial presence in compliance training for the transport industry, the acquisition is expected to enhance the organization's ability to ensure that its members are "confident in the security and movement of dangerous goods across all transport modes," said David Wells, the organization's chief executive.

The acquisition would strengthen FTA's offering in the air cargo security and dangerous goods training market. TrainingTeam will continue to offer its courses to all its existing customers, and FTA will be growing the online training offer which has seen the company reach a global marketplace.

Hutchison Ports buys half of TMA Logistics

Hutchison Ports has completed the acquisition of a 50% stake in TMA Logistics B.V. ("TMA").

TMA has a variety of general cargo terminal operations together with warehousing, shipping, logistics and project cargo activities at three sites in Amsterdam and one in Antwerp as well as at Hutchison Ports Amsterdam (former known as Amsterdam Container Terminal (ACT)).

Commenting on the acquisition, Clemence Cheng, Executive Director, Hutchison Ports, said: "The acquisition of a 50% stake in TMA Logistics complements both our existing operations in Amsterdam and the activities of Hutchison Logistics. Together with TMA, we will maximise the benefits of operating through Hutchison Ports' network to develop new business opportunities in areas including short-sea container traffic, ro-ro, vehicle handling, and general and project cargo."

TMA has a number of businesses. Thor Antwerp and Thor Amsterdam provide terminal operations, logistics services, agency, forwarding and chartering as well as truck, barge and rail distribution in their respective ports. MEO and ACS Logistics Amsterdam operate 120,000 sq m of warehousing.

WWL acquires US industrial logistics provider Keen Transport

Wallenius Wilhelmsen Logistics (WWL) has signed an agreement to acquire 100% of Keen Transport from Platinum Equity. Keen Transport is a US provider of heavy-haul logistics and transportation services for the construction, mining, and agriculture equipment markets. It has a fleet of 143 trucks and 390 trucks.

It also operates 14 Equipment Processing Centres (EPCs) and a specialty trucking entity in the USA. With its 450 employees, Keen provides value-added facility services, equipment modification, transportation and load consolidation for various Original Equipment Manufacturers (OEMs).

M&A INSIDER
Merger & Acquisition Deals & Transactions

BUSINESS FOR SALE

A Very Rare Opportunity - Well Established International Project Management Firm in the UAE
UAE
USD$7,500,000 (Furniture / Fixtures included)

10+ year old International Project Management firm specialising in the full spectrum of construction and project management services. Strong forward customer contracts (guaranteed backlog of projects for 2017-2019) and stable staff of 60+ employees across the GCC region. Revenues more than USD$6.5m+ and cash-flow of USD$2.25m+. Profit margin 31%+. Financial Audit Reports from one of the big four international auditors are available.

Australian based Logistics Supply Chain Company
State of the art warehouse (leased)
Circa USD$5,000,000

Well established 3PL supply chain management company with solid technology systems and strong long term customer contracts. Excellent growth prospects with customer contracts locked in 2018 and beyond.

Well Established Freight Forwarder
Freight Forwarding & Logistics Solutions Provider
United Arab Emirates + Saudi Arabia
Circa USD$25,000,000

Independent, premium logistics provider in the UAE & Saudi markets. Established in 2007, the company has consistently grown to revenues of USD$70 million+ with a workforce of 160+ employees and a stable market position build on an excellent reputation in UAE & KSA. Solid margins and track record of above average profitability.

Logistics Solutions Provider
United Arab Emirates
Circa investment USD$2,500,000

Joint venture partners sought to support growth plans and future development. Independent, logistics provider in the UAE with a diverse customer base and a strategically located warehouse asset. Well established and experienced workforce of 80+ employees serving customised logistics, forwarding and transport activities.

SEEKING TO BUY

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

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

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

European / UAE Manufacturing
Capital Sought: USD$16,500,000
Manufacturing: Sustainable Materials
Germany / UAE

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

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

Logistics / Freight Forwarding
Target Geography: East Africa (Kenya / Rwanda / Tanzania)

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

Medium size freight forwarding business in the UAE

Freight Forwarding or like
Target Geography: United Arab Emirates

Regional logistics firm seeking medium size acquisitions in the areas of logistics, warehousing and freight forwarding. Ideally seeking businesses with solid financial history and annual revenues greater than USD$5mio.

3PL Logistics Warehousing Business

Logistics / Freight Forwarding
Target Geography: United Arab Emirates

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

European 3PL sought by Asian 3PL expanding internationally

Logistics / Freight Forwarding
Target Geography: Benelux region / Germany

Seeking solid stand-alone 3PL business in the Benelux region as part of an international expansion being undertaken by a major Asian based 3PL.

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

MERGERS, ACQUISITIONS & MERGER INTEGRATION STRATEGY

Integrated approach. Accelerated value. Synergy realisation.

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

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

Contact one of our experienced principals for more information.

DARRYL JUDD
darrylj@logisticsexecutive.com
(Global)

PETER SCHOLTEN
peters@logisticsexecutive.com
(Middle East & Africa)

JOANNE MCCONACHY
joannem@logisticsexecutive.com
(Australasia)

LARRY WOELK
larryw@logisticsexecutive.com
(United Kingdom)

ED MEYER
edm@logisticsexecutive.com
(Europe)

RHYAN STEPHENS
rhyans@logisticsexecutive.com
(Australasia)

Leadership Excellence for the Digital Age

10 Tips for Converting Possibilities into Opportunities

Leadership at the helm of progressive organizations is becoming increasingly difficult. The lure of efficiency-driven technology, powered by Artificial Intelligence (AI), significantly impacting the corporate landscape is a major challenge. Innovation is being seen as the key to relevance and survival in the Digital age, rather than, as an afterthought for assuring business competitiveness. The rules for running successful enterprises are being rewritten as old theories and established practices consistently fail to justify the rise of ambitious startups in dismantling the titans of industry. Consequently, corporate concerns are frantically searching for the elixir to attain/sustain leadership excellence. To accommodate the Digital age and to ensure that promising possibilities are converted into gainful opportunities in a timely and effective manner.

In this article, we share 10 tips for moving purposefully and robustly in the respective direction.

TIP # 1

Being a visionary isn't enough; be a futurist

'We didn't do anything wrong, but somehow, we lost', were the insightful remarks uttered by the then CEO of Nokia, Stephen Elop, at the press conference for announcing the respective acquisition of Nokia by Microsoft. Nokia achieved the vision of being the global leader. However, it could not capitalize on the future of Digital communication, due to its excessive inward focus. The alternative was to embrace the vast openness of an evolving ecosystem that opened wider horizons for its competitors to delight customers. The new norm of a platform-based hand-held devices, which was pioneered by Apple.

TIP # 2

Invest in 'open' and 'flexible' talent management systems that allow 'breathing space' for 'free thinkers' and 'trendsetters'

Conventional talent management systems are designed to be directional, disciplinary and dedicated. However, the Digital age mandates timely and astute innovation which requires the magnanimity of enterprising experimentation. This beckons 'trendsetters' and 'free-thinkers' who are allowed to stretch the boundaries of 'acceptable norms' in converting possibilities into opportunities. Some progressive organizations have developed separate functional entities to accommodate such initiatives that are not aligned with the customary running of the organization.

TIP # 3

Be welcoming of the increasingly 'sensitized' and 'connected' world

The world has been steadily shrinking in terms of rapid communication, knowledge-transfer and wide connectivity. Every internet-savvy person has a stake in the global context due to the extensive diffusion that has brought relevance to isolated/marginalized communities and opened organizations to the glaring spotlight of corporate accountability from multiple perspectives, e.g., United Airlines being humbled by a customer who made a video of his predicament 'United Breaks Guitars' (https://www.youtube.com/watch?v=5YGc4zOqozo). Therefore, organizations with an eye on thriving in the future are well-advised to proactively embrace the consequences of their actions in a more accommodating and responsible manner.

the Digital age mandates timely and astute innovation which requires the magnanimity of enterprising experimentation

TIP # 4

Don't undermine innovation with technology by marginalizing the 'human factor'

Technology is highly addictive. The promise of problem-solving and comfort, especially, when aligned with customer needs and expectations. However, within the corporate realm, a key mistake when adopting and adapting to technology, is the neglect of innovation or simply tying it with technology for meaning the same thing. Innovation is a cardinal 'humanistic' concept that refers to an astute application of human ingenuity, whereas, Technology is a consequential 'mechanistic' tool that enables the efficient accomplishment of targeted tasks/assignments/responsibilities. Keeping the 'human factor' in prime position while charting the course of a prosperous future in the Digital age ensures internal harmonization in congruence with the optimal technological solutions.

TIP # 5

Ingrain 'Diversity & Inclusion' as a core part of the organizational culture and instill Confidence Boosting Measures (CBMs) to drive fear out of the workplace

Consistently progressive, suitably paced and reliably profitable growth

in the Digital Age is increasingly dependent upon the richness of the Diversity & Inclusion factor in the corporate domain.

A receptive organizational culture buoyed by 'core values' and complemented by astute talent management strategies can go a long way in benefiting from the 'simmering' talent, often unnoticed in organizations, for achieving/ sustaining a competitive while ensuring a reign of unabated positivity in the workplace that incentivizes a sense of belonging and engagement for those yearning to unleash their unexplored potential.

TIP # 6

Make sure that succession planning and management is impartial and transparent

Established leadership theories and vibrant management practices of the past are being relentlessly tested in an era where profitability is no longer a guarantee of sustainability and huge conglomerates are constantly looking over their shoulders with nervous anticipation of becoming irrelevant from ambitious startups.

The future of progressive organizations in the Digital age, more than ever, hinges upon corporate leaders assuming the mantle of enlightened statesmanship, rather than, clinging to the prevalent status-quo of regressive politicking.

TIP # 7

Cultivate High-Commitment Employees (HICOs), rather than, High-Potential Employees (HIPOs)

The HIPO approach, extrinsically-driven assessment, has been frequently attributed to eroding the morale of diligent employees and incentivizing the 'cannibalization' of 'Peer Careers' to secure progressive career advancement.

It is more prudent to cultivate HICOs (https://www.peoplematters.in/article/leadership-development/from-hipos-to-hicos-a-new-evolved-approach-13384), intrinsically-driven employees, who are inherently engaged and very hard to poach by opportunistic competitors.

TIP # 8

Inculcate mentorship as a mandatory element of senior management's performance appraisal

The significance of having a good mentor cannot be overstated. This will develop talent as it lays the solid groundwork needed for keeping 'potential successors'. This is to focus and galvanize them towards maximizing their value-addition for the organization while carving an admirable career for themselves. It is therefore imperative that senior management be mobilized for the mentor-mentee network. The level of success in such initiatives gauged

Organizations that have the humility and astuteness to learn well from their missteps are the ones with the foresight for maximizing the probability of success.

as an essential element of their performance appraisal.

TIP # 9

Convert 'Aspirational' employee engagement into 'Inspirational' employee engagement

Most progressive organizations are tending to 'require' employee engagement. This is a more pro-active approach versus an expectation of a natural offshoot from the enterprise culture and values. This has the downside of becoming a job specification. Which could bring 'shrewd actors' into play who are enticed by the incentive-driven external motivation of gaining associated rewards and recognition. Consequently, the 'glamorization' of employee engagement often eclipses the 'voluntary initiatives' of the 'truly engaged' employees. Therefore, an inspiration-based approach is generally a more enduring option than an aspiration-based approach for assuring 'Sustainable Employee Engagement' (https://www.peoplematters.in/article/performance-management/engagement-uninterrupted-achieving-sustainable-employee-engagement-13253).

TIP # 10

Befriend 'Failures' for learning and embrace 'Successes' with caution

Organizations that have the humility and astuteness to learn well from their missteps are the ones with the foresight for maximizing the probability of success. A few years back, the trusted business model of software licensing was stagnating at Microsoft as Apple and Amazon made significant strides in cloud computing and mobile devices to embrace the emerging trends of the Digital age. However, Microsoft was able to self-reflect upon the changes that were needed to become relevant again and took the necessary steps, including, bringing in a new CEO with an extensive background in cloud computing. Now, it is again at the vanguard of current and emerging technologies, including, strategic investments in AI-enabled products and services.

FOOD FOR THOUGHT

The aforementioned tips have been provided to open an insightful window into the verdant expanse of innovative thinking and astute application that refreshingly caters to the two critical competencies needed for organizations/professionals to stay relevant in the ubiquitous Digital future, i.e.:

1. Being comfortable with being uncomfortable (refers to effectively embracing foreseeable changes/ unanticipated scenarios/disruptive chaos)

2. Being uncomfortable with being comfortable (refers to effectively overcoming intoxicating complacency from dominant market positions/ stakeholder contentment/goal attainment)

Take a moment to step back from the daily grind and check your comfort level. Are you ready?

Murad Mirza
Organizational Development & Talent Management Expert

Murad is an innovative thinker and an astute practitioner of areas within and associated with the fields of Organizational Development, Talent Management & Business Transformation. He has worked in various geographical regions across the world. He has a rich history of delivering desired results for progressive organizations ranging from SMEs to Large Corporate Entities. His scholastic accomplishments have been affirmed by induction into Beta Gamma Sigma, an International Honor Society, as a Lifetime Member. He is also a globally published author and an active contributor to various professional forums.

Leadership – a Key to Business Success *(Part 1)*

UNDERSTANDING WHAT IS GOOD LEADERSHIP

Leadership is probably the single most important personal competency required to drive, develop and sustain an Enterprise. But leadership is not easy to define. So, what exactly does one mean by leadership and how do you position it in the organisation?

This may seem a very fundamental question that could be answered in reverse. If leadership is missing, what is the resultant impact? Depending on the type of organisation, the effects could be very different. The commonly visible symptom if leadership is missing, is the feeling of chaos, lack of direction, demotivation and frustration in general within the Enterprise.

But not everyone holds the same understanding of leadership. And it is not infrequent to see how the application and use of leadership, is often misinterpreted to mean something else. Such misconceptions can confuse people in an organisation. And when confusion sets in, several negative issues can ensue. Disruption and disharmony are often the signals of ineffective leadership within the organisation.

Leadership has been described as "a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task". For example, some understand leadership as simply somebody whom people follow, or as somebody who guides or directs others. While others define leadership as "organising a group of people to achieve a common goal". {Wikipedia definition}

The Wikipedia definition may be fine. But in business, the expectation of leadership is more than just of social influence and guidance. The manifestation of leadership in a business environment can be identified by 3 distinctive characteristics. They are principally ***Leading, Aligning and Sustaining***.

Each of these characteristics, contain very specific, defining behavioural traits and competencies vital to enabling business success.

1. **LEADING** – is about ***Visioning*** - seeing the big picture, Anticipating - thinking ahead, Solutions driven (oriented to overcoming obstacles), Trusted - influencing groups by self competence, Courageous - initiates forward movement & ventures into unchartered territory with diligence & with a high probability of success, Ownership & Accountability -takes responsibility for actions.

2. **ALIGNING** – is about ***Connecting*** - the big picture to, the common threads across the upper, middle & lower levels of the organisation, linking - the company's mission & goals to deliver the results drives coherence of focus. It applies a transversal approach to management that avoids "silo" organisations & singular focus.

3. **SUSTAINING** – is about ***Investing*** - in medium & long term sustaining factors, People, Innovation, Quality, Environmental, Social Responsibilities and in the Business Stakeholders (Customers & Suppliers).

A good leader will be able to balance these 3 distinctive characteristics, adapting to the conditions and landscape in their perimeter of responsibility. It is also crucial that a leader tempers the intensity of each characteristic with relevance and freshness for the situation they are confronted with.

An important trait of a leader, which is not always evident, is their ability to form a clear focus on issues. And in particular when involved in problem solving. Even if they do not have all the answers and solutions. It is their clear vision and focus, coupled with the energy that drives a good leader to use their expertise and command due respect.

It is in these leadership traits that one can see the effectiveness of leaders management style. They do not need to exert excessive control in order to be effective. As they engage and focus on collaborative teamwork, it is their style and approach that is the key to achieving success.

ENGAGING THE RIGHT KIND OF LEADERSHIP IN THE ENTERPRISE.

How can a CEO benefit from leadership styles in their organisation?

The key questions would be, how does the business harness relevant leadership qualities? And how can a CEO build his team with these important behavioural characteristics to make his organisation perform even better?

The starting point is to understand what kind of leadership skills and competencies the business needs to grow and develop. The next would be to identify if such leadership traits and competencies already exist, in some form, within the organisation. They could well exist, but be latent and not manifested nor identified because no one has possibly been able to see them.

An important trait of a leader, which is not always evident, is their ability to form a clear focus on issues. And in particular when involved in problem solving.

Identifying and mapping the potential talent in the enterprise is often overlooked. This is indeed a simple process. Look around, speak to people and observe their behaviour. It will soon be evident who are the potentials from within. This journey of discovery will open a whole new world of understanding and motivation to power the organisation forward.

This may seem like a major project and challenge to launch. But indeed it is not! The channels and opportunities are all available, as well as, for free. The two obvious opportunities are during the interview process at recruitment stage and during the annual performance appraisal process.

These are the moments when one can identify the leadership assets in the organisation – but you have to be organised to look for them. When leadership characteristics have been identified, a whole new approach to management will open up. The first step will be necessary to assess the individual's potential capabilities. This can be tested by using an approach of structured assessment models. Preferably these models should be linked or emulate the reality of the working conditions.

A very useful tool is the "situational leadership" model, but here are others too. Candidates will need to react to unknown conditions or circumstances. These would often be the real challenges facing any Enterprise. It is not enough to launch an assessment model for the sake of the initiative. The analysis process that follows is very crucial to the effectiveness and pay back of the program. Analysing the assessment responses, reactions and the emotional temperament are also very crucial indicators. It helps us understand the extent and depth of the leadership qualities inherent the person's character.

ARE LEADERS BORN OR ARE THEY MADE?

A very familiar question often asked ***"are leaders born or are they made"?*** We understand that leaders are not born as such. But it is believed that fundamental leadership traits are inherent in the individual's character at the time of birth. And it is these traits that can later be fully developed into leadership characteristics. They often manifest themselves in the various behavioural and emotional intelligence traits that we seek to look for with great enthusiasm.

But how do these latent traits, develop into the right leadership characteristics?

The development process is quite

complex and varies among different individuals. It has to start with that personal desire and ability to grow. It is this that stimulates their individual latent leadership abilities and subsequent development. But an area that is strongly influential and that is rarely considered, is the environment in which young people live and grow-up in the critical formative years of their lives.

This will have a major influence on an individual's natural abilities and motivations to progress.

That ability to project naturally those leadership characteristics and visible behavioural traits, stems from that inner latent resource. These internal triggers bring out the leadership qualities in an individual, that need to be nurtured from an early stage and throughout the formative educational period. But we can also state, that even those fortunate young people who have had the best education and opportunities, do not necessarily turn out to be good leaders.

Observing leaders behavioural characteristics, one will see very specific traits. We see confidence driven by competence, balanced in depth views acquired by being attentive to surroundings, humble articulation with accurate language, takes accountable responsibility and is openly engaging with a collaborative challenging temperament.

The opposites of good leadership traits are often manifested as aggressive posturing, bold and brash challenges with strong tendencies of downgrading achievements. An obvious lower degree of collaboration and engagement amongst people is common. In fact, this negative kind of leadership often results in encouraging adversarial behaviour amongst colleagues.

Whilst potential leaders have been exposed to several enterprise situations and tested in various challenging scenarios, not all will be successful to lead and grow corporations of where the human capital is a crucial asset.

In part 2, we shall look at how selecting and positioning the right leadership in an organisation will change the way a CEO can achieve business growth and effective performance.

confidence driven by competence, balanced in depth views acquired by being attentive to surroundings, humble articulation with accurate language, takes accountable responsibility and is openly engaging with a collaborative challenging temperament

Joe Lombardo
Founder
ESP Consult

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

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

How to Have a Conversation with Your Direct Report to Improve Accountability

In supply chain, decisions around profit, process and product can be relatively easy. It involves making rational decisions based on stable and predictable empirical evidence. But where it gets tricky is making decisions involving people.

Developing and progressing people – the company's culture – is always difficult. Humans are complex, unpredictable and emotional. Some are even downright unmanageable. We each have different emotional triggers and ranges in behaviour. Yet, without people – profit, process, and product don't mean anything. We can't get them to work without people.

Why people decisions are often problematic is that at its core it involves trusting people to do the right thing. This occurs in the part of the brain that processes emotions, such as trust and loyalty. This area has no capacity for language and explaining its decision. It operates subconsciously and only understands emotions. This means when employees trust leaders about a new change, it's based on feelings. In other words, how they feel about whether leaders and the company will do the right thing by them. The answer to that is determined by past experiences and beliefs. Throw in some risk and uncertainty and that decision can be tricky to predict.

Leaders also fall into the same trap

when making decisions about who they can rely on.

Their emotions unknowingly get in the way so they make judgements based on incorrect assumptions, past experiences or blind hope. If these decisions are frequently wrong, the leader might retreat and believe only they can do the work. All this does is lead to exhaustion and cynicism about others.

What I have found is that most leaders don't even know where to start building trust with a poor performer. They waste countless hours and resources avoiding the issue or trying to fix it. Sometimes out of sheer frustration it all gushes out in an incoherent mess during the annual performance review. Of course, that only creates more distrust and fractured work relationships.

Managers typically waste massive amounts of money, time, energy, and resources in order to fix these issues. And while these problems can seem tedious or frustrating the true costs of people problems are far more troublesome.

According to research by Tania Menon and Leigh Thompson cited in Harvard Business Review, executives estimate failure to give underperforming employees feedback wastes an average of around $7,600 per day. That's an astounding $1,976,000 of lost value and potential per year per organisation on one common people problem alone.

No wonder that more than 30 companies on the Fortune 500 have all abandoned annual performance reviews. Adobe, IBM, GE and Amazon found that performance reviews reduced morale and weren't actually improving performance. Instead, these companies now encourage leaders to undertake more frequent feedback conversations.

LEADER AS COACH

If leaders want to succeed they have to know how to get the best out of people. It's about coaching rather than managing. It's about having regular feedback and performance conversations to improve behaviours. It's about ensuring that both the leader and employee trust each other to perform. For many, these chats are difficult and often end up being confrontational (thereby reducing trust and cooperation).

What leaders need to focus on is having conversations that connect to people's emotional, feeling based brain. This doesn't mean actually talking about trust in general terms. After all, talking about trust doesn't build trust. If anything it makes people defensive. Instead, you have to talk about what specific behaviours are required and how that benefits the team, yourself and the employee themselves.

So how do you do that?

Through using a trust battery metaphor. This is what Tobi Lütke, chief executive of Shopify, a fast growing Canadian e-commerce company has done to improve employee performance. It works beautifully because metaphors are more easily understood by our emotional brain. After all, we can all comfortably explain and understand when the trust battery is depleting and when it is charging. We can even point to a diagram and explain what step change we require rather than saying "You have lost my trust. What are you going to do about it?"

So how does the trust battery work?

By explaining to employees that the trust battery compares the current level of trust between two people. Every time you interact with someone trust is either recharged or discharged. When the trust battery is high and has a lot of power – work gets done easily and efficiently. When the trust battery is getting flat – cooperation is low and misunderstandings reign.

Let's take a new starter as an example. Realistically, they subconsciously don't trust their boss and as the boss, you don't trust them. To be fair to both of you, sit down with them and explain the trust battery concept and why it's charged at 50 per cent.

This involves mentioning that neither of you are really sure if you can trust each other yet. But you are willing to support them and give them the benefit of the doubt. Over time, if your interactions are positive, the battery will charge up. Importantly, you explain what exact behaviours are required to build trust and what will drain trust. You can also turn it around and ask them what they expect from you to charge their battery. The conversation must explicitly discuss their role, accountabilities and expectations. Any confusion will cause them unnecessary anxiety.

For example, one of my new team members let me know during the trust battery discussion that I had to give her time to understand things and to trust that she would get it right eventually. This frank discussion on her first day of work really helped me support her in ways that got her up and running faster than previous hires. It was also a good reminder to me to not assume people learn things as fast as I do and fall into a distrust and frustration trap.

Now, let's consider a long-standing colleague that you have worked

with for two years. Over that time you have shared both positive work and personal experiences. They have demonstrated that they are supportive, capable and reliable. Here the trust battery is quite different and sits at a high 95%.

If they start to act differently, the high trust reserves act as a buffer. Trust will drain more slowly than if this person was new or always unreliable. For example, you'll think "Stephanie isn't herself lately. I wonder what's going on. I'll check in to see if she's okay."

The effort of actually checking in with her actually builds more trust. As Stephanie can see that you care about her as a person, not as a productivity tool.

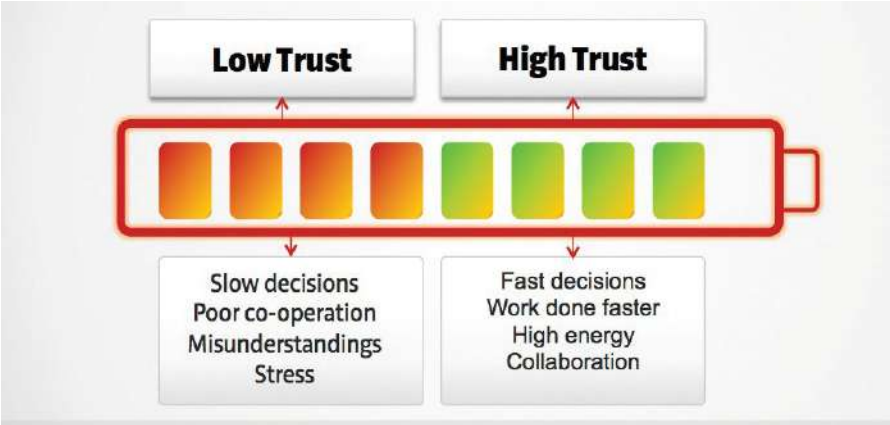
On the other hand, if it's a relationship that has a history of challenging behaviours – trust reserves are low. When issues pop up, trust drains rapidly. "Damn that Stephanie. She never tells the truth and she's lazy and bad at her job. She will never improve. It's time to fire her."

You can use the trust battery metaphor for those work relationships that you have forgotten to nurture. Batteries left idle decline over time. It's the same with relationships. You have to be proactive about charging up trust levels, otherwise, the relationship will lose capacity and power.

The trust battery metaphor also works in and between teams. Using a metaphor approach helps bridge the discussion between harmful behaviours and actions pivoting everyone to the right page to get results.

CHARGING UP TRUST

As a supply chain professional, with so many different relationships to



nurture and build, using language that clears up issues reduces a lot of frustration and unnecessary costs.

Successful organisations rely on dependable working relationships. Followers depend on leaders. Leaders depend on followers. The marketing group depends on manufacturing and so on. A good leader is one who trusts people and whose people trust them in return. This means they know how to make the right decision on whom they can depend upon to get work done because they know how to talk about the tricky stuff.

Being honest about everyone's strengths and weaknesses is critical to a high trust culture. Using the trust battery metaphor, helps leaders and employees break down barriers in their communication. It encourages leaders to more readily articulate their expectations and reduce ambiguity. And it helps employees clearly understand how they need to perform.

More importantly, it allows people to talk about trust in a way that doesn't make the other person feel criticised. It's actually quite fun and disarming to talk about work relationships – what's working and what's not – referencing a battery. Give it a try – you'll be surprised by how much it powers up your work relationships.

Marie-Claire Ross
Chief Corporate Catalyst
Trustologie

Marie-Claire Ross is the founder and chief trustologist at Trustologie. She is a workplace sociologist, author and consultant focused on helping leaders accelerate trust during change and growth. If you want to find out how well your organisation or team excels at trust, try a complimentary assessment at www.trustologie.com.au/trust-capital-score.

EVENTS

February

LOGISYM DUBAI 2018
February 13th - 14th, 2018
Jumeirah Creekside Hotel,
Dubai, UAE
www.dubai2018.logisym.org

BREAKBULK MIDDLE EAST
February 6th - 7th, 2018
ADNEC,
Abu Dhabi, UAE
www.breakbulk.com/events/breakbulk-middle-east-2018/

March

5TH GPCA RESEARCH AND INNOVATION SUMMIT
March 11th - 13th, 2018
Dubai, UAE
www.gpcaresearch.com

April

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

May

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

GPCA SUPPLY CHAIN CONFERENCE
May 8th - 10th, 2018
Dubai, UAE
www.gpcasupplychain.com/

HANDS UP KENYA
May 2018
Nairobi, Kenya
www.handsupkenya.com

The Logistics & Supply Chain Management Society
The Regional Professional Body for Logistics Practitioners

Advancing Supply Chain & Logistics knowledge, networks and collaboration across the global, LCSMS brings professionals and organisations together. Gain access to the latest industry knowledge, research, white papers and explore building opportunities with first-class training, conferences, events and educational programs.

EXCLUSIVE MEMBERS-ONLY BENEFITS:

- Monthly LogiSYM Magazine and Newsletter
- LogiSYM Conferences (Singapore, Malaysia, Dubai)
- CEO Knowledge Series (Singapore, Hong Kong, Dubai)
- Industry Networking Events
- Certified Logistics Professional Certification
- Certified Logistics Engineer
- Australia Logistics Academy Masterclass Programs
- Corporate Training, Degrees and Diplomas
- SCM Directory and knowledge Portals

KNOWLEDGE FOR ALL.
Building a stronger, collaborate industry of professionals.

ENROLL NOW FOR INSTANT MEMBERSHIP
(Enjoy exclusive members-only benefits)
www.lscms.org

LOGISTICS™
EXECUTIVE

www.logisticsexecutive.com

Corporate Advisory

Complexity-to-Opportunity. Partnering to Evolve Your Business – Globally.

Complexity and change is a constant in today's environment. Smart, agile companies must navigate the changes, while sustaining growth and improving operational effectiveness. Logistics Executive Group Corporate Advisory and Consulting Group is a leading boutique provider of performance and outcome driven consulting services across Business Performance, Supply Chain and Operations and Human Capital.

We deliver a globally, consistent set of multidisciplinary services, based on a collaborative approach. This is grounded in deep, industry-specific experience and a commitment to delivering measurable, sustainable results that can help you adapt and succeed, even in uncertain, changing environments. Our industry focus helps ensures our experienced practice leaders develop a rich understanding of clients' businesses and the insight, skills and resources required to address industry-specific issues and create opportunities.

Our services

- Business Performance Consulting
- Supply Chain Consulting
- Human Capital Consulting
- Organisation & Executive Coaching
- Astrum Lighting Innovation
- Jafza Representatives
- Practice Consultants
- Mergers, Acquisitions & Merger Integration Strategy

About us

Logistics Executive Group is the acknowledged industry leader providing a suite of whole-of-life-cycle business services including Corporate Advisory, Executive Search and specialist Supply Chain and Logistics Training. Since 1999, clients have trusted us to help recruit, build world-class leadership and drive business performance with integrated Corporate Advisory services.

Today, we are a single source for leadership development, talent & recruitment services and business consulting to empower businesses and leaders to reach their goals. We offer a full suite of solutions designed and executed to best position our clients to enhance growth and overall performance.

Executive Search | Corporate Advisory | Logistics Academy

Melbourne | Sydney | Brisbane | Singapore | Hong Kong | Shanghai
Mumbai | Delhi | Chennai | Dubai | Ireland | London

www.LogisticsExecutive.com