

LOGISTICS NEWS

The Independent Voice of the Supply Chain Industry

**BEWARE THE
RANSOMWARE PANDEMIC**

**SHIPPING
CONTAINER
CRISIS
CONTINUES**

SUPPLY CHAIN

- *Right data critical to clean line of sight*
- *Building human resource capacity and skills to save lives*



CALL FOR ENTRIES

The global pandemic has posed significant challenges for supply chains across the globe, disrupting the flow of raw materials and finished goods as well as highlighting vulnerabilities in many operations.

South African companies are certainly no stranger to disruption, yet it is in extraordinary times such as as now that the need to adapt, innovate and respond effectively to the changing environment shines a brilliant light on the importance of our profession and the practitioners that meet these challenges daily.

We are looking for the supply chain game changers, the practitioners and innovators who have made a tangible difference within their supply chains to share their story with the rest of our industry. The Logistics Achiever Awards has showcased, recognised and celebrated excellence in logistics and supply chain management for over 30 years.



LOGISTICS ACHIEVER AWARDS

Recognise
Excellence

Encourage
Innovation



Entries close on the 18 February 2022!

We live in a truly digital age with the ability to take advantage of a variety of media. In an industry first, each winning entry will still be highlighted in the *LAA Case Study Annual* and now a 30-minute docu-style case study video will be produced for each entry, offering greater insights into the projects through discussions with the entrants, on-site footage as well as final commentary from our judging panel.

All of these videos will promoted to and shared with the industry. Our aim is that these insights will both inform and inspire our industry and reflect in more detail what our local organisations are capable of.

What's New?

Logistics Achiever Awards Objectives

RECOGNISE EXCELLENCE

To recognise professionalism and excellence in the effective application of strategic, tactical and operational logistics and supply chain management principles, concepts and practices in southern Africa.

ENCOURAGE INNOVATION

To encourage all companies and organisations in southern Africa to review, evaluate and upgrade their current logistics and supply chain management practices.

CREATE AWARENESS

To create a greater awareness and understanding of the value of effective logistics and supply chain management.

LOGISTICS ACHIEVER AWARDS

CALL-FOR-
ENTRIES
2022

Logistics Achiever Awards **Rewarding Excellence** in Logistics and Supply Chain Management

If you have a story to share,
submit your entry today, visit
www.logisticsachieverawards.co.za
or contact Karl Murray on
karl@logisticsachieverawards.co.za for further information.



Thought Leadership

- 2 Line of sight
- 4 Tackling youth unemployment and building a stronger economy: How procurement can help

Opinion

- 6 The world through Covid digital transformation glasses. By Doug Hunter
- 8 The value of leadership – the mark of a successful supply chain. By Arno Meyer and Aveshin Reddy
- 10 Silver bullets or wooden stakes: What tools do your supply chain slayers need PC (post Covid)? By Karen Pretorius
- 12 What skill set does 2022 need from you? By Chantal Kading

Features

- 13 Robotics are the way forward
- 14 CFO 4.0 instrumental in building the factory of the future
- 15 Driver shortage presents an opportunity
- 16 Building human resource capacity and skills to save lives
- 18 Beware the ransomware pandemic
- 20 Book review: *Supply Chain Analytics and Modelling* by Dr Nicoleta Tipi
- 21 Shipping container crisis continues
- 22 Precision delivery key to Unitrans Africa's mining sector success
- 23 SA to see rise in exports: 2021-2023

News

- 24 New director for Smart Mobility Advisory Group/Traxtion poised to lead freight rail sector
- 25 SkyNet South Africa in private equity buyout/GLTC appoints new head of business development
- 26 Bidvest's new appointment an inspiration/Unitrans launches ad hoc animal feed distribution services
- 27 New CIPS General Manager for southern Africa/SAPICS announces theme for 2022 conference
- 28 DHL Global Forwarding expands into Algeria/SAAFF Training Academy launched
- 29 Demand for forklift equipment boosts Shumani/Imperial examines AfCFTA
- 30 Kwik Delivery wins Most Innovative Logistics Company in Nigeria award/Cummins invests in Sion Power to develop lithium metal technology

Bookmark

- 32 Associations directory

S
T
Z
E
T
Z
O
C

Line of sight

The right data is critical to clean 'line of sight' into the entire supply chain.



By Andrew Dawson,
MD at MACmobile

'Line of sight' in the supply chain has taken on a new meaning in the age of artificial intelligence (AI) and machine learning (ML). Rather than simply tracking stock movements and using this data to attempt to influence the end consumer to buy a product, there is now massive investment in trying to 'own' the retailer from a data perspective. The focus has shifted to tracking everything retailers sell and who they sell to, preferably in real time.

However, while this may work at a formal retail level, in the main market there are challenges that often obscure line of sight due to missing data. Addressing this 'missing link' and obtaining the right data from throughout the supply chain is key to gaining clear line of sight and realising the true value proposition of data.

The South African challenge

Understanding stock movements at a retail level as well as the behaviour of retailers is valuable data. However, the only real way of achieving this currently

is through specialist point-of-sale devices, and this is where the market focus currently lies. The problem is the human factor – in the main (informal) market, spaza shop owners tend to be selective of what they run through these point-of-sale devices, for a number of reasons.

Many spaza customers are unbanked and retailers run on a cash basis, making it easy to bypass these devices. In addition, they may not wish for their true revenue to be identifiable, or they may not want the manufacturer or wholesaler to see their pricing and stock movements. This, then, obscures line of sight since the data is incomplete and potentially inaccurate. The view into the ecosystem is noisy, and the insight into the end of the supply chain is not necessarily a true reflection. Decisions made based on this data, therefore, cannot be trusted at face value.

The missing element

While trust in point-of-sale data may improve as retailers gain confidence and reassurance around



the technology, currently this is not the ideal way of obtaining clear line of sight. Instead, it needs to be reinforced at a distributor and wholesaler level. At this level it is possible to gain insight into stock holding, rate of sale and 'sales in' numbers for the various retailers, including the informal sector. Through invoicing and delivery data, a comprehensive and clean version of stock numbers moving into main market trade can be obtained.

Efforts to obtain the missing element of line of sight into the main market needs to take on a new focus. Not only is data from the wholesaler and distributor leg already available, it has existing relationships and community engagements within the main market. The key to gaining clear line of sight is through these robust last mile distribution mechanisms, but a multi-fold approach is required. We need to look at embedding systems and platforms, but also at improving the financial literacy at wholesaler and strategic distributor level as a first port of call in improving smaller retailers, spazas and the communities they serve.

Maximum line of sight, maximum value

Line of sight in the supply chain takes on a different view when you understand the role of the wholesaler and distributor, particularly in the South African context. When this first step is in place, then AI and ML can be harnessed to leverage real-time revenue opportunities. This includes understanding when the rate of sale of a product exceeds stock holding, or when the stock holding is in excess, or when the product is not represented across the retail universe. These are all scenarios that translate to revenue opportunities.

The key is that different communities and areas have different requirements, and wholesalers and distributors need to be able to cater to this to maximise efficiency and profits. Having an AI platform backed by clean data generated through a clear line of sight can automate this and generate benefits throughout the supply chain. However, it all begins with the data and with identifying opportunities to maximise supply chain line of sight. •

Tackling youth unemployment and building a stronger economy:

How procurement can help

By Leon Steyn, CEO at Dante Deo

The future of the global and local economy depends on the youth, but this is something many of us appear to have forgotten in the last 20 years.

As business leaders, we have a responsibility to look after the economies we inherited from previous generations and prepare the way for the youth to step into our shoes. But with 63 percent of young people in South Africa aged 15-24 currently unemployed, it's clear that we've missed the mark. Whether this is as a result of poor leadership, corruption, wasteful expenditure or simply being too busy with what's in front of us to plan for what lies ahead is up for debate. However, the fact remains that if we don't urgently prioritise job creation and youth skills development, the future of the South African economy looks perilous.

Fortunately, we can take steps to address our shortcomings. Solutions rely on big companies stepping up to make a difference, small companies sprucing up to do better business and government letting them get on with it. Here's how I think we could work together to help the youth of today become prudent leaders and powerful consumers of tomorrow.

Addressing the experience gap

Both government and private entities have, for the last few years, focused on skills development. We've seen an increase in training programmes, technical skills institutes, support structures and government-run agencies like the SETAs. So, ostensibly, the knowledge and skills are there. However, the

third element in workforce capability – experience – is what's lacking. And, without it, our youthful job seekers are at a loss.

A friend used to say that we have to allow future leaders to make mistakes because that's when they learn. Knowledge and skills can be taught fairly quickly, but experience takes time. To solve this problem, big and small companies need to commit to running meaningful, beneficial internships for the 'green shoots' in our workforce. Not tea-making internships, but ones where the trainee gains valuable experience and insight into their chosen industry, so that, at the end of the programme, they aren't disappointed when the internship doesn't turn into a full-time position because they've got two other job offers on the table.

The next step is where procurement comes in. Even a skilled, experienced job seeker faces unemployment if they enter an economy where there are no jobs. So, how can we make skills development programmes and meaningful internships productive?



How do we create opportunities for young job seekers in South Africa?

[Sending your procurement spend in the right direction](#)

In my 20 years in the procurement industry, I've noticed that the big organisations we assist have around 3,000 vendors on their books, but 80 percent of their spend goes to 100 suppliers. Why is that? In some cases, it's in the interest of speed and efficiency. But how will we grow our economy if the same few names continue to dominate the market?

At Dante Deo, we've been doing things a bit differently. When we work with the big-name vendors, we award contracts – worth millions of rands – on condition that they agree to employ and develop smaller players in the market.

This doesn't just mean outsourcing 20 percent of the job to small businesses – as government tenders stipulate – but leveraging that established and renowned company to make a real difference. In a service integrator role, they could assist with practical skills training as well as help take a small business from good to great. I want to see big players leading and developing smaller players, building everything from practical skills to sound finance and marketing departments. Because, in my experience, that's often where small businesses fall short. They offer a good service, but don't have the knowledge or experience to run a business. With a bit of help, they could start hiring their own accountants, tax experts, operations managers and HR teams, which will create job opportunities and open up the market to more than a handful of vendors.

[Why rural sourcing deserves the spotlight](#)

Initially, those of us in procurement were excited about outsourcing. Then, when international fees became too high, the trend towards near-sourcing emerged. Now, with COVID-19 proving that we don't need to be in offices or even city centres to be productive, rural sourcing or onshoring has become

an appealing option. With a laptop and Internet connection, people in Rustenburg, Estcourt and Langebaan can service projects anywhere. And, because the cost of living is substantially lower in outlying towns, there are cost-saving advantages to rural sourcing too. Why should we drive people from Joburg or Pretoria to service a mine in Middelburg? Surely businesses in that community would benefit from doing the job themselves?

Now, if there's a project in the Midlands, let's ask the big-name vendor not only to help develop 10 smaller players as part of the job, but to make sure that those small players are within a 50km radius from where the project is based. That way, we're building small sustainable businesses, increasing job opportunities and developing skills in previously neglected communities. If that isn't a win, win, win, I don't know what is.

[In helping the youth, you're helping yourself](#)

In 2016, Microsoft South Africa partnered with the city of Joburg to train one million citizens in digital literacy. An indirect benefit of this was that they probably also increased the number of Microsoft licence users. This is what companies should realise: Solutions like internships, innovative procurement and active rural sourcing have the potential to change the lives of South Africa's youth and significantly increase your bottom line. The youth of today will be the consumers of tomorrow, and if they're going to buy your product one day, they need your help now.

We don't need to rely on government to incentivise strategies like this; we should be pursuing them because they are right for the economy, and right for business. Let's let government focus on building infrastructure, improving network connections, providing proper roads, sanitation and rubbish removal, and let businesses do what they do best – grow. As business leaders, we should focus on productivity, output and growth, three key ingredients to economic activity. Hopefully, we'll pass the recipe down to future leaders so they can confidently take South Africa's economy into the future. •

The world through Covid digital transformation glasses

By Doug Hunter, doug.hunter@syspro.com

SYSPRO listened to different perspectives at two events in Kenya: one the CIO view and the other the CFO view on digital transformation.

Chief information officer (CIO)

Mombasa, Kenya: CIO 100. The hot sun is directly overhead, there is high humidity, white sands and a coral reef 1km offshore. It is the ideal location to let ideas flow.

IT and infrastructure security came out strong. Whether cloud or on-premises, security of access, data and supplier integrity are paramount to digital transformation. Interestingly, they are also required to create customers' confidence in the deployment of any business IT.

With 27 percent of security/access errors listed as user errors, where 9 percent are mistakes, but 18 percent are

malicious, users are twice as likely to intentionally harm data than make genuine errors – beware!

SYSPRO believes that when going down the 'yellow tech road', you should relook at business processes and opportunities. Yes, pick low-hanging fruit, but this must be a priority for your company and bring significant improvement/returns. Too many organisations reach too close, seeing little return. Remember, you can't learn to swim by paddling in the shallow water!

Transformation brings people-pain you have to go through, so make sure the change is relevant, important and returns value.

Training is a digital transformation must. In software use, there is software system admin, but just as important is to expose implementing suppliers to your business. They must understand the generic traits of your industry, but salespeople/executives/implementation teams must get into the trench together with customer teams – to succeed, you are interdependent. Have customers lead suppliers around their operations to see/hear/touch/smell/taste what matters. And customers, you must pay as it fuels a performing team.

Chief financial officer (CFO)

In Nairobi, with the Institute of Certified Public Accountants of Kenya (ICPAK) – Kenya CFOs and accountants, we presented our Industry 4.0 regional research into manufacturing/distribution companies during the COVID-19 period – findings which may apply globally.

Recovery

- 7 percent of companies say they're fully recovered.
- 51 percent said full recovery by end 2022.
- 36 percent said recovery will only be 2023 and beyond.

Trading conditions

- 50 percent believe conditions are fair – meaning doing ok, not thriving.
- 1 percent said they are thriving.

Although 50 percent seem ok, all companies had to weather economic slowdown, some due to measures instigated to curb COVID-19 spread like lockdowns, restricted movement, etc. But management time is available in slack times, so moving up the digital curve is a real opportunity – was this competitive move to come out of COVID-19 running missed?

Funding assistance – at hand, or is it?

Europe/USA-linked companies received assistance from their principals. Government assisted by reducing tax and structural reforms, but the research showed:

- 51 percent received no direct funding.
- 38 percent benefited from tax deductions only.
- 13 percent benefited from stimulus packages.

Spending and innovation

- 31 percent of businesses wish to diversify – investing in new technology.
- 70 percent committed to starting or optimising application of enterprise resource planning (ERP) and business intelligence (BI).
- 58 percent are earmarking the importance of business IT for future recovery.

But,

- 65 percent fund investments out of their own pocket.
- 65 percent prefer traditional cost cutting to fund efficiencies.

Whilst Kenyan CFOs hunger for diversification/investment in digital transformation, having to use their own funds they stick to cost cutting, downsizing, etc. So, funding fueled survival, not economic revival as the government hoped. Value-add reduced 0.1 percent in 2020/21 compared to 2.5 percent growth in 2019

Supply chain

- 77 percent suffered delays in global and local supply.

This impacted Kenya's dominant food and beverage industry, as well as sectors like fabricated metals, automotive supply and other manufacturers.

The 'Covid business disease' appears to be companies sticking to continuous improvement (renovation) of existing processes, rather than step change (innovation) where more sophisticated technologies are introduced to reengineer supply chains, add e-commerce and predictive functions like AI/ML or to simply optimise planning and execution. This is strange for Kenya, which is renowned for trading entrepreneurialism and application of technology and is always trying to lead.

If Kenya, the brightest star in Africa, has CIOs/CFOs keen to innovate with technology like ERP, but not able to execute adequately due to funding and COVID-19 mitigation constraints, other African economies, including South Africa, may come out of COVID-19 in truly bad shape

We're all part of the same world, but just like COVID-19 vaccination inequity, funding inequity may be slowing Africa – let's change that. •

The value of leadership – the mark of a successful supply chain

By Arno Meyer, arnom@richfield.ac.za and Aveshin Reddy, aveshinr@richfield.ac.za
of Richfield Graduate Institute of Technology

Leadership, a trait that all industry professionals strive to develop, yet very few possess in its entirety. This elusive attribute is the ability to inspire, guide and support individuals to achieve success. The value created by leadership in a supply chain is evident but sometimes misunderstood by supply chain stakeholders.

A supply chain is a multifaceted function that involves many critical processes such as procurement, operations management and logistics management. Each of these departments is then broken down into smaller facilitating teams that create value within an organisation. This makes it incredibly difficult for an organisation to manage its supply chain without resilient leaders. Supply chain leaders provide the motivation, know-how and direction to the various teams and departments that drive the supply chain team to achieve organisational success.

To understand the impact of leadership on a supply chain, you can consider the following analogy. In soccer, you have a team of players, each of whom has a specific role in guiding their team to success. A goalkeeper's role is to prevent the opposition from scoring whilst the striker's role is to score against the opponent. Each of these team members has a different role, but ultimately the same objective – to win the match. This is where the team captain comes in; he guides the team to success by providing a strategy and inspiring the team to achieve success.

A supply chain leader fulfils the role of being the team captain, aligning each department to achieve the supply chain's vision and realise long-term organisational success. The importance of this position has been embodied by the globalisation of supply chains, and increases in complexity in organisational structures and the disruptions caused by the COVID-19 pandemic.

Being a good leader does not solely rely on a singular skill, but rather a compilation of various personal competencies such as creativity, effective communication, compassion towards the needs of individual team members, strong interpersonal skills and dedication towards upholding integrity. These skills lead to the realisation of the supply chain vision and ultimately drive the organisation's mission and vision.

A supply chain professional needs to develop their leadership style according to the supply chain's vision, the two most common types of leadership styles being transactional and transformational. Transactional leadership is primarily task-driven



PHOTO BY REBRAND CITIES FROM PEXELS

and focuses on the improvement of operational and employee performance. These leaders prefer to follow routines and develop individuals through experience-driven situations.

The second type of leadership is transformational, which is relationship-focused and ideal for navigating through times of uncertainty such as the COVID-19 pandemic. These leaders are driven by charisma and inspire innovation and collaboration. They encourage personal growth and development, which ultimately benefits the supply chain and the organisation. Both of

these techniques contribute to supply chain success, but an innovative leader will incorporate aspects of each and create their own strategy based on their supply chain requirements.

John Quincy Adams said, “If your actions inspire others to dream more, learn more, do more and become more, you are a leader.” Irrespective of your leadership style or technique, one thing is evident: in this modern age of disruption and opportunity, all supply chain professionals must become the leader they need. •

Silver bullets or wooden stakes: What tools do your supply chain slayers need PC (post Covid)?

By Karen Pretorius, KPI Cubed

Today, in the PC (post Covid) world, experienced problem solvers are typically knowledge workers and therefore prime candidates for WFH (work-from-home) opportunities. They are not around on the floor as much as they were in the BC (before Covid) world. We need those supply chain slayers to come closer, look at the problem, examine its victims and see the symptoms to really tell the werewolves from the vampires.

When faced with a supply chain problem, we all like magical, quick-fix solutions. We want it done... and done yesterday. This is why many of us go looking for the silver bullet – that quick fix that will make the problem disappear from a distance without really getting our hands dirty. We often think we can solve problems from afar and that by just having that tool, we can make the problem go away.

But, you may have your myths and monsters tangled up – silver bullets are meant to kill one specific enemy – the werewolf – and are not effective against all kinds of monsters. If you don't know exactly what your problem looks like, it is easy to choose the wrong weapon and to underestimate the complexity of that weapon.

However, a silver bullet needs a gun, and a gun needs a skilled operator – one who can adjust for distance, height and environmental conditions and is very accurate. The silver bullet needs to penetrate the heart. Silver bullets, guns and operators come at a great cost and may not even slay your problem.

What if your problem is a vampire? A vampire needs a wooden stake through the heart to immobilise it before it is killed, with beheading the most popular choice. The wooden stake is a rather cheap option compared to a silver bullet, but you still need an expert operator – a brave Van Helsing – who can get close enough to the problem to really identify it. A vampire can shapeshift, and many times in our operations we are not exactly sure what the problem





looks like, where it comes from and how it manifests. What are the conditions that generate the problem, what feeds it, what makes it shift shape and what will make it go away?

In classic *Dracula*, Professor Van Helsing is actually a polymath and medical doctor. He has much experience and education. He is not afraid to stalk his prey, watch it and learn about it, and he is ready to get his hands dirty up close.

In our PC world, we WFH this and remote that, we Zoom and we Teams to solve a variety of problems in many different ways, often successfully. But nothing beats 'being there'. That is why we turn on cameras, we TikTok and we Instagram; never have visuals been so popular. But this is why online remote-control sessions still can't beat the classic Gemba – going to see the problem first-hand.

Elon Musk solves problems from first principles, not by looking at what other solutions already exist. Up close, we can observe the problem and all its behaviours first-hand, then break down the problem

to its most basic elements to find solutions. What has worked for one company – their silver bullet – may do nothing to slay your problems.

In our businesses, we need to know what education and training make a good 'supply chain Van Helsing'. We need to give our slayers the opportunity to gain experience by examining problems up close and personal; to give them the right tools for the right situation; to enable them to be brave, determined and hands-on; to identify the shapeshifters for who they are; and to get rid of the problem in the most effective manner.

Revisit the classic problem-solving tools with your team of slayers, let them Gemba and Kaizen, let them 5S. These simple wooden stakes can be just the tools needed to pin down a shapeshifting supply chain problem for good. •

Disclaimer: Problem-solving remotely using drones, GoPros, simulation and virtual reality or 3D Composite Simulations of course have a place as well; it is just that wooden stakes cannot be applied remotely!

What skill set does 2022 need from you?

By Chantal Kading, Leadership and Talent Strategist at The People Shop

Time is timeless and non-linear, never has this quantum concept landed and resonated more than in the last 24 minutes, months, moments...

Just when we thought we were stretched in 2020, this year, 2021, did not just arrive, but it was a wave of continuation that by end of Q1 did not feel like pandemic-fatigue, but rather pandemic-exhaustion.

The beauty of this 24-month journey is that we are not forged under easy circumstances, rather our individual brilliance is forged in fire. This perfect storm has resulted in the ultimate upgrade for many humans. A return fundamentally to our humanness, our centre, priorities of family, our sense of individual identity and core values. A wise friend of mine said to not let a good crisis go to waste. So, what skill set is required from you for 2022? During 2020 the World Economic Forum (WEF) predicted a future workforce skill set for 2025 required in order of priority:

- Analytical thinking and innovation.
- Active learning and learning strategies.
- Complex problem solving.

The top three predominantly mental processes.

We seek out and focus on top 10 lists, though the answer sometimes is to be found at 11, 13 and 15. The future is not static; the future is dynamic and requires us to learn, adapt and negotiate. Number 11 on the future jobs top skills is emotional intelligence. If the pandemic taught us anything, it is that the connection and integration of our minds with our heart is the prime upgrade required. The competencies that make up emotional intelligence (EI) based on the comprehensive Genos model include emotional reasoning, combining and integrating emotional information with rational facts and figures to make expansive decisions and a path of innovation and originality. A second competency of emotional intelligence is resilience, flexibility and adaptability, which is an antidote to stress tolerance and

stress management. Within these two EI competencies, most of the top 10 WEF future skill sets are covered.

Number 13 is service orientation. Within the supply chain industry, a theme and problem statement for many organisations has been customisation and customer experience. Service is more than a business priority, rather a human priority of living a life and creating businesses that are of service and contribution. A current C-suite agenda item is sustainability, environmentally prioritising green supply chains and renewable energy to nurture and enrich Mother Earth, rather than just steal from her. Socially, an awareness has been created around what makes a society: health care, education, standard of living and living with dignity, equal opportunities to not just have employment, but the opportunity to be showmen and craftswomen. Birthing business ideas, crafting businesses that matter, employment for all and the development of talent enriches society and actively contributes to our collective upliftment for all communities.

Number 15: Persuasion and negotiation. Career life balance is an illusion and the success of that lives on a knife's edge. We need to negotiate an integration of our professional and personal lives, and consciously pursue our purpose, passion and dreams, our ikigai. True passion and purpose are able to drive you through the pain barrier; persuasion is natural when you believe in what or who you are influencing for. Sales has a bad reputation for being difficult and at times unpleasant, and yet we influence in most moments our colleagues, customers, children. What does life on your terms look like and are you willing to master the skill set of persuasion and negotiation to achieve that? The future is hoping you are. •



Robotics are the way forward

With the global market for warehouse robotics expected to reach \$22.4 billion by the end of 2021, Yaskawa Nordic Sales Director Lee Moulder outlines the advantages of pairing of robotics with intelligent warehouse software to pack mixed pallets for shipping from warehouses.

In 2018, American companies spent approximately \$1.5 trillion on logistical expenses. It's a jaw-dropping number that underpins the importance of supply chain management to businesses. At the heart of any logistics system is the warehouse.

The food and beverage industry, for example, often consists of mixed case warehouses. These are the centres to distribute pallets to the different stores, and they house various products and items under the same roof.

Each store has its own unique set of requirements and not all of them will order the exact same items from the warehouse. As a result, the centres need to pack different orders every day for the various stores. It's a complex process, especially when you consider the importance of kosher products being packed separately and even the specific number of goods requested by each store.

In the past, most of these warehouse tasks were done manually by workers. As businesses demand more efficiency and accuracy, however, there's been a shift towards automating processes and uncovering smart solutions.

Thanks to the pairing of robotics with intelligent warehouse software, the process is now simplified. It takes away the manual process of having to do everything by hand, which is not only laborious, but more vulnerable to human error.

Using the combination of robotics and software like IPS, you'll be able to create the perfect pallet. For instance, a retail store requires wine, tinned food and chips. IPS groups the order and sends it to the warehouse control system. The individual pallets containing the specific items are picked out

and brought to a depalletising station where they are de-layered, depending on how much you require. From there, the items are picked/buffered and then sent off to the mixed palletisers to prepare for shipment.

Apart from reducing the complexity of the process and need for manual intervention, the use of robotics in warehouses has other benefits too. First, it helps to reduce the number of items that stores order from a warehouse. In the past, they would have to order complete layers or an entire pallet, which would impact storage space on their end. Second, the orders are packed more efficiently. There won't be crushed or damaged items, reducing the need to send back the goods. And finally, the accuracy of robots is unmatched. There's no more guessing as you know exactly what went out, how much and when.

While the benefits are clear, many businesses fear that introducing robotics into their operation will require a drastic overhaul of their current equipment and processes. But that isn't the case since robots are designed to integrate into other systems. They are even flexible enough to adapt to existing warehouse spaces, fitting in where needed.

What will be necessary, though, is training on two levels. The first is the standard maintenance training that'll help identify potential faults before they happen. The second is operator training, which includes the basic principles of robotics as well as on-site cell and application-specific training.

Seeing powerhouses like Alibaba and Google invest millions in robotic logistics is an eye-opener for every business. With the global market for warehouse robotics expected to reach \$22.4 billion by the end of 2021, it's abundantly clear that there's a new dawn in supply chain management processes. •

CFO 4.0 instrumental in building the factory of the future

Global provider of ERP software SYSPRO has announced new research into CFO 4.0, which reveals that the manufacturing CFO will play a critical strategic, innovative and financial role in the business moving forward.

The study, which was conducted in July to September 2021 and led by SYSPRO, assessed the sentiment amongst senior level chief financial officers within manufacturing sectors across the Americas, APAC and EMEA. The participants encompassed financial leaders across both SMEs and larger enterprises, indicating that these results reflect the insights of a wide range of players in the manufacturing and distribution space.

The diversification of business operations

The study revealed that the disruptions caused by the pandemic played a catalytic role in the diversification of manufacturing businesses. In order to thrive, 65 percent of CFO respondents surveyed indicated that they have shifted expenditure into new markets, product lines and technologies. Drilling down further, the SYSPRO survey found:

- 33 percent of businesses expanded into new markets.
- 29 percent of businesses innovated through the introduction of a new production line.
- 39 percent of businesses will explore new routes to markets such as e-commerce channels.

In order to enable the diversification of business models, 29 percent of CFOs indicated that they would invest further into research and development (R&D).

Building and securing a digital future

When asked about future areas of investment to ensure continued success, 56 percent of CFO respondents indicated that they would be investing in warehouse automation, 37 percent of respondents confirmed that they would investigate migration to cloud-based services and 37 percent would be exploring SMART technologies including 3D printing, IoT, machine learning and artificial intelligence. Forty-seven percent of CFOs also indicated that they will be investing in

ERP to increase visibility and enhance transparency and data-driven decision making.

Winning the war for talent

When exploring the key reasons behind business disruptions in 2021, it comes as no surprise that 43 percent of respondents point to the delayed procurement of raw materials or inventory from either onshore or offshore suppliers.

Not surprising, however, is that this figure is followed closely by the procurement of talent and skills, which comes in at 38 percent. "The pandemic highlighted the importance for digitally savvy talent as businesses continue to invest in smart technologies and automation. The skills vacuum is vast and companies have acknowledged a growing need to onboard highly specialised individuals and rapidly upskill their current staff," says Mark Wilson, Chief Executive Officer, SYSPRO EMEA&I.

Proactively managing business risks

With increased pressures on global supply chains, survey respondents noted that the costs of inventory management have the potential to rise to unforeseeable levels. When asked about top business risks for 2022, 40 percent of CFOs highlighted the management of rising inventory costs, 36 percent of respondents were concerned about managing cash flow and unsurprisingly 35 percent pointed to the management of local and global supply chains.

"While the pandemic continues to have an impact on the global road to recovery, it has also allowed businesses to shift operations and adapt. We are seeing the industry explore new territories, expand production lines and evolve business models. The CFO has been an instrumental catalyst in these shifts and is evolving the face of manufacturing as we know it," concludes Wilson. •

Driver shortage presents an opportunity

Due to the shortage of truck drivers — along with the other factors brought on by the pandemic — trucking companies and recruiters are trying a range of tactics to hire and retain qualified drivers, including increasing pay.

The transportation industry, like most sectors, is still reeling from the effects of the pandemic and a contraction of the economy. However, as the country gears up to reclaim some semblance of normality, drivers are presented with an opportunity to not only fill the skills shortage gap present in the transport and logistics industry, but to leverage their training and experience to increase their earnings, says Arnoux Maré, Managing Director of Innovative Learning Solutions.

“Professionally trained drivers are in high demand as the industry aims to regain the losses suffered under the various lockdown levels and stifled economy. Drivers who fall into this category have specific skillsets, such as driving in wet conditions, economical driving, heavy goods vehicle braking and straight reverse and ally docking,” explains Maré.

The Department of Labour published its minimum wages for South Africans who drive as wholesale and retail truck drivers in February 2021. CODE 14 drivers who worked in more populated municipalities could expect to earn no less than R6,083.53 a month. However, this figure is not reflective of what more experienced drivers can earn in South Africa.

Data sourced from salary website Indeed shows that the base salary for a truck driver is closer to R10,324 per month in South Africa, or roughly R124,000 a year, and comparative

salary information from PayScale shows that the average pay is slightly lower at R98,225 a year, or R8,185 a month.

The more qualified a driver is, the more efficient they become, and this also extends to their reliability, leading to increased productivity, which positively impacts their employers' bottom line. This gives them a huge negotiation advantage over their peers without the necessary training.

Innovative Learning Solutions is Africa's biggest CODE 14 truck driver training and testing centre, with a focus on upskilling drivers to be the best on the road. Candidates are taught and tested on world-class methods of safety and efficiency while mitigating accidents and increasing productivity.

“It is not just the drivers who stand to benefit from having skills that set them apart. Businesses that invest in the development of systems and staff increase their functionality and gain valuable data and insights over the industry and competition.

“As companies seek to trim costs, being leaner and more capable of doing more with less will likely be more commonplace. This includes improving recruitment processes to ensure that drivers not only have the technical know-how required of all drivers, but also the necessary soft skills, such as communication, motivation and customer services,” concludes Maré. •

Building human resource capacity and skills to save lives



Supply chains don't just get goods from manufacturers to end users. They save lives. This has never been more evident than during the COVID-19 crisis.

Ensuring adequate, uninterrupted supplies of life-saving medicines and medical oxygen, getting personal protective equipment (PPE) where it is needed, when it is needed and distributing COVID-19 vaccines all depend on effective, efficient supply chains and the people who manage them. The pandemic highlighted the critical need for improvements in public health supply chains around the world, including in South Africa. Recognising this, the International Association of Public Health Logisticians (IAPHL) established its South African Chapter in partnership with the Professional Body for Supply Chain Management (SAPICS).

IAPHL was founded in 2007 and supports logisticians worldwide by providing a forum for members to network, exchange ideas and develop their skills. Members come from over 152 countries, a variety of professional backgrounds and represent all levels of the supply chain.

“At IAPHL, we believe knowledgeable and empowered public health supply chain operators and managers are central to improving health outcomes and achieving universal health access. Our mission is to enable people working in public health supply chains to connect, learn and succeed,” explains Walter Proper, Executive Director of IAPHL.

He says that public health logisticians have a critical but often undervalued role in providing life-saving health services. “Especially in developing countries, supply chain management is often not recognised as a profession that requires specialised training. IAPHL’s vision is a world where strong and well-run supply chains reach all people with life-saving health products.”

Since its launch in December 2020, the IAPHL’s South African Chapter has hosted numerous free networking and professional development events geared towards connecting, empowering and upskilling professionals working in the country’s public health supply chains.

Lessons from Ethiopia were shared in an informative IAPHL webinar presented by Capital Berhanu, Inventory Management and Distribution Officer at the Ethiopian Pharmaceutical Supply Agency. The agency has been working to optimise the supply chain needed to ensure equitable, affordable access to anti-cancer medicines for all Ethiopians. Berhanu shared his learnings and insights on challenges that include high expiry and wastage, frequent stockouts, data visibility issues, product delivery delays, intermittent reports, facility complaints and inadequate communication.

Life-threatening medicine stockouts were in the spotlight in a case study presented by David Crewe-Brown, General Manager at Vitalliance, experts in pharmaceutical and humanitarian supply chains. Crewe-Brown noted that appropriate levels of medicine availability are necessary to meet patient needs, but the challenge is that the current processes require the already overburdened health care practitioners to manage the medicine storeroom, count the stock levels, calculate the replenishment orders and issue stock to the consulting rooms when required. Many of these process steps fail, resulting in stock shortages. The solution is to automate the replenishment planning of medicines in the South African public health supply chain, he told attendees.

He offered advice and guidance on designing a new, analytically based, automated replenishment planning process.

The roll-out of the COVID-19 vaccine in South Africa was the topic of an IAPHL webinar presented by Professor Norman Faull, Emeritus Professor of Operations Management at the Graduate School of Business, UCT and Founder/Chairman of the Lean Institute Africa. The Lean Institute Africa has been instrumental in observing and advising several vaccination sites since the beginning of the pilot phase of the vaccine roll-out. Faull discussed the challenges, solutions and successes that have been experienced firsthand.

Annette Naude, DSV’s General Manager for Pharmaceuticals and Healthcare (Air & Sea), South Africa looked at innovations for health care supply chains for the future in a webinar that she presented for IAPHL’s South African Chapter. She shared strategies developed by cold chain supply network leader DSV to navigate the COVID-19 crisis, not only in South Africa, but also in Africa, including multi-model strategies and strategic partnerships. Creative ways had to be found to ensure that amid the turmoil of the pandemic, emergency and life-saving cold chain pharmaceuticals and other health care commodities could still get to where they were needed, when they were needed, she stated.

In addition to ensuring that everyone working in South Africa’s public health supply chains has access to the requisite resources, training and skills, one of the top priorities of the South African IAPHL Chapter is encouraging more young people and graduates to pursue careers in public health care supply chains. To this end, an IAPHL and SAPICS membership package is being offered at no cost to 50 young supply chain professionals. Applicants must be working in or wish to work in the management of public health supply chains and humanitarian logistics and must be aged 25 or younger. For more information or to apply, email Elaine Stewart at SAPICS, elaine@sapics.org.za.

Beware the ransomware pandemic

A report by cyber insurer Allianz Global Corporate & Specialty highlights the surge in ransomware incidents, which could be prevented if companies strengthen their cyber security and controls.

During the COVID-19 crisis another outbreak has happened in cyber space: a digital pandemic driven by ransomware. Malware attacks that encrypt company data and systems and demand a ransom payment for release are surging globally.

The increasing frequency and severity of ransomware incidents is driven by several factors: the growing number of different attack patterns such as 'double' and 'triple' extortion campaigns; a criminal business model around 'ransomware as a service' and cryptocurrencies; the recent skyrocketing of ransom demands; and the rise of supply chain attacks.

In a new report, cyber insurer Allianz Global Corporate & Specialty (AGCS) analyses the latest risk developments around ransomware and outlines how companies can strengthen their defences with good cyber hygiene and IT security practices. "The number of ransomware attacks may even increase before the situation gets better," says Scott Sayce, Global Head of Cyber at AGCS. "Businesses need to strengthen their controls. At the same time, in today's rapidly evolving cyber insurance market,

providing emergency response services, as well as financial compensation, is now the standard."

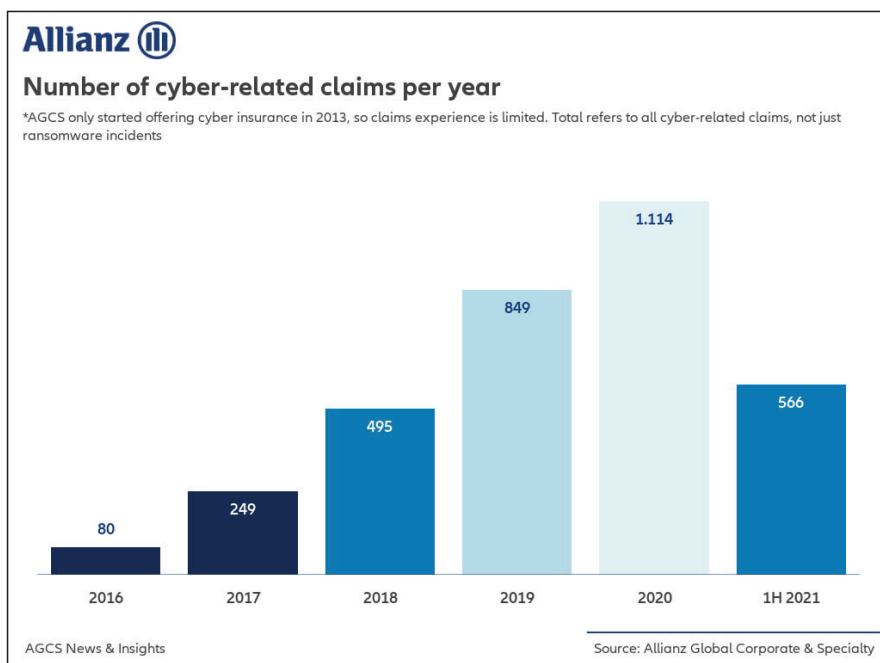
Cyber intrusion activity globally jumped 125 percent in the first half of 2021 compared to the previous year, according to IT services and consulting firm Accenture, with ransomware and extortion operations one of the major contributors behind this increase. According to the FBI, there was a 62 percent increase in ransomware incidents in the US during the same period that followed an increase of 20 percent for the full year of 2020.

These cyber risks trends are mirrored in AGCS' own claims experience. AGCS was involved in over a thousand cyber claims overall in 2020, up from around 80 in 2016, and the number of ransomware claims (90) rose by 50 percent compared to 2019 (60). In general, losses resulting from external cyber incidents, such as ransomware or distributed denial of service (DDoS) attacks, account for most of the value of all cyber claims analysed by AGCS over the past six years.

Increasing reliance on digitalisation, the surge in remote working during COVID-19 and IT budget constraints are just some of the reasons why IT vulnerabilities have intensified, offering countless access points for criminals to exploit. The wider adoption of cryptocurrencies, such as Bitcoin, which enable anonymous payments, is another key factor in the rise of ransomware incidents.

Five trends in the ransomware space

'Ransomware as a service'. The development of this service has made it easier for criminals to carry out attacks. Run like a commercial business, hacker groups sell or rent their hacking tools to others. They





also provide a range of support services.

From single to double to triple extortion. ‘Double extortion’ tactics are on the rise. Criminals combine the initial encryption of data or systems, or increasingly even their back-ups, with a secondary form of extortion, such as the threat to release sensitive or personal data. In such a scenario, affected companies have to manage the possibility of both a major business interruption and a data breach event, which can significantly increase the final cost of the incident. ‘Triple extortion’ incidents can combine DDoS attacks, file encryption and data theft – and don’t just target one company, but potentially also its customers and business partners.

Supply chain attacks. There are two main types – those that target software/IT service providers and use them to spread the malware, or those that target physical supply chains or critical infrastructure. Service providers are likely to become prime targets as they often supply hundreds or thousands of businesses with software solutions and therefore offer criminals the chance of a higher pay-out.

Ransom dynamics. Ransom demands have rocketed over the past 18 months. According to Palo Alto Networks, the average extortion demand in the US was \$5.3 million in the first half of 2021, a 518 percent increase on the 2020 average.

Business losses

Business interruption and restoration costs are the biggest losses due to cyber attacks, according to AGCS’s claims analysis. They account for over 50 percent of the value of close to 3,000 insurance industry cyber claims worth around \$885 million it has been involved in over six years.

The average total cost of recovery and downtime – on average 23 days – from a ransomware attack more than

doubled over the past year, increasing from \$761,106 to \$1.85 million in 2021. This surge has triggered a major shift in the cyber insurance market. Cyber insurance rates have been rising, while capacity has tightened. “Companies need to invest in cyber security. Losses can be avoided if organisations follow best practices,” explains Marek Stanislawski, Global Cyber Underwriting Lead at AGCS.

To pay or not to pay

Ransom payment is a controversial topic. Law enforcement agencies typically advise against paying extortion demands to avoid further incentivising attacks. Even when a company decides to pay a ransom, the damage may have already been done. Restoring systems and enabling the recovery of the business is a huge undertaking, even when a company has the decryption key.

IT security best practices

“In around 80 percent of ransomware incidents, losses could have been avoided if the organisation had followed best practices. Regular patching, multi-factor authentication as well as information security and awareness training and incident response planning are essential to avoiding ransomware attacks. Numerous security gaps can be closed, often with simple measures,” says Rishi Baviskar, Global Cyber Experts Leader at AGCS Risk Consulting.

In the event of an attack, cyber insurance coverage has evolved to provide emergency incident response services that typically include access to a professional crisis manager, IT forensic support and legal advisory. Further offerings include IT security training for employees and assistance with the development of a cyber crisis management plan. •

Supply Chain Analytics and Modelling: Quantitative Tools and Applications

Supply Chain Analytics and Modelling by Dr Nicoleta Tipi offers comprehensive insights into business analytics and supply chain modelling.

An incredible volume of data is generated at a very high speed within the supply chain and it is necessary to understand, use and effectively apply the knowledge learned from analysing data using intelligent business models.

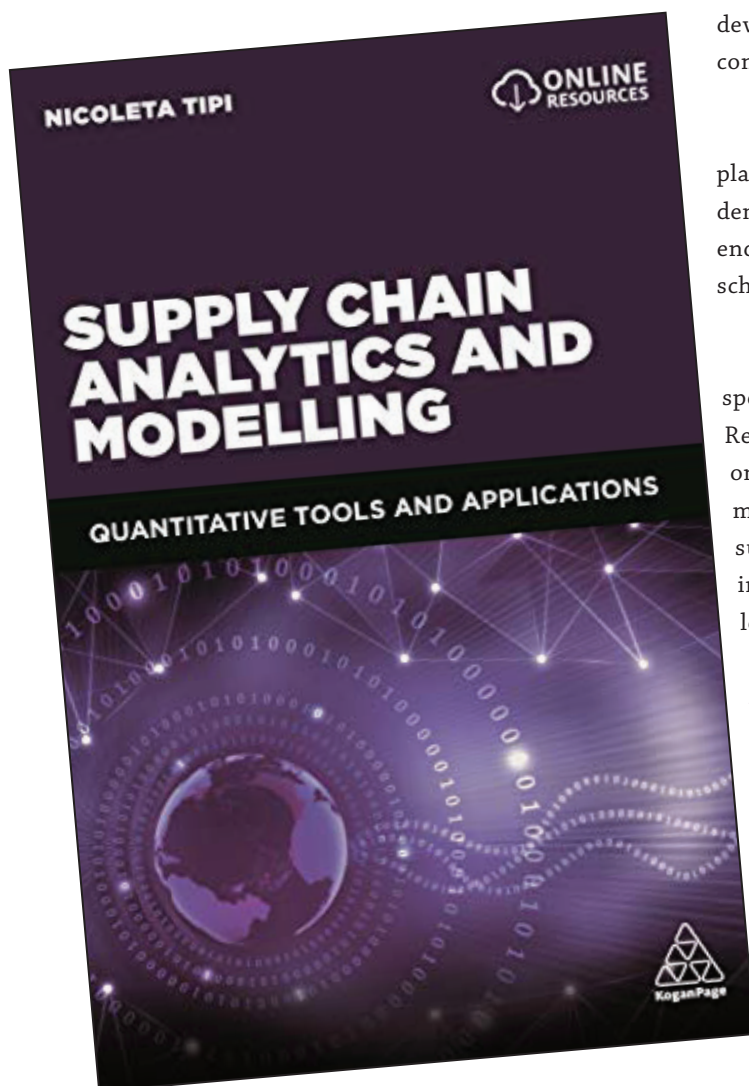
However, practitioners and students in the field of supply chain management face a number of challenges when dealing with business models and mathematical modelling. *Supply Chain Analytics and Modelling* presents a range of business analytics models used within the supply chain to help readers develop knowledge on a variety of topics to overcome common issues.

The book covers areas including supply chain planning, single and multi-objective optimisation, demand forecasting, product allocations, end-to-end supply chain simulation, vehicle routing and scheduling models.

Learning is supported by case studies of specialist software packages for each example. Readers are also provided with a critical view on how supply chain management performance measurement systems have been developed and supported by reliable and accurate data available in the supply chain. Online resources including lecturer slides are available.

About the author

Nicoleta Tipi is a senior lecturer at The Open University, UK in the area of operations and supply chain. She was a senior lecturer at the University of Huddersfield where she gained experience lecturing in the area of supply chain modelling and logistics operations. She has considerable industry experience, having worked in different roles involving modelling and analytics for Unilever. •



Shipping container crisis continues

With 90 percent of the world's goods transported by sea, the current shipping crisis has resulted in spiralling costs and bottlenecks in global supply chains.

The shipping crisis has been exacerbated by a shortage of shipping containers and massive congestion at major ports, explains Conrad Smith, founder and owner of MHS Plant & Equipment, an equipment disposal specialist that focuses on the mining and construction industries specifically.

Smith comments that the current shipping crisis is having the biggest impact on the used equipment sector as major original equipment manufacturers (OEMs) still tend to have stock on hand to tide them over during the current crisis. However, shipping experts predict that lead times will only begin to stabilise by mid-2022.

The shortage of shipping containers can be traced back to 2019, a relatively bad year for global trade due to strained relations between the US and China. This stand-off between two of the world's largest economies resulted in fewer containers being produced in the run-up to 2020. However, COVID-19 then extended the lull in container manufacture throughout the first half of last year. Instead of dampening demand, the pandemic had the opposite effect and container prices skyrocketed, with some brands reportedly paying up to 10 times more to import the same goods as before. The latest development is that some companies are opting to transport their goods via air charter, at more than double the pre-pandemic price.

"While we have been affected by the container crisis along with many other companies reliant on shipping, there are ways of getting around it as only certain routes and ports have been affected. In addition, we are able to dismantle yellow equipment so that it takes up the least space, thereby assisting our clients to curb their transportation costs during this difficult period," explains Smith.

The disruption in global supply chains could not have come at a worse time for the mining industry. Already having to deal with a shortage of new, large equipment from major OEMs, a recent uptick in commodity prices has seen speculation about a potential new commodity super-cycle. With lead times for new equipment now already stretching to 2022, compounded further by the shipping crisis, Smith highlights that sourcing used equipment is probably the best option now for major mining houses or junior miners to ensure they are in a position to take advantage of any emergent green shoots.

Apart from supplying both new and used equipment, MHS Plant & Equipment also assists banks in the valuation and disposal of any repossessed equipment, specialising in turnkey solutions for construction companies and mine closures. Supplementing the trading side of the business, the company owns equipment that it rents out to cement and aggregate producers, including a diamond mine in the Northern Cape. •



Precision delivery key to Unitrans Africa's mining sector success

Unitrans Africa's (UA) proven mining sector material handling capability is laying the foundation for a bright future characterised by unique innovation in critical areas of the company's operations.

Electric vehicles and real-time stockpile management and reporting are just two examples of Unitrans Africa's bold, long-term vision. But none of these ideas would have even made it to the drawing board had it not been for the company's trusted reputation when it comes to on-mine material handling and mine-to-port capabilities, painstakingly built across the continent over many decades.

"Unitrans Africa is truly demonstrating our purpose of 'Accelerating Africa's Growth' with the mining projects and partnerships we currently have in place," says Unitrans CEO Rob Hayworth, who believes that the company now has the springboard to recreate, throughout Africa, the success of current operations, which are accredited according to the highest available safety standards, including the International Organisation for Standardisation (ISO), Occupational Health, Safety and Security (OHSAS), Safety and Quality Assessment System (SQAS) and Road Transport Management System (RTMS).

"Our solutions have a positive impact on the regions we operate in and with the partners we are involved with, especially when it comes to utilising local labour and reducing the total project emissions via the use of road trains," he adds.

Road trains have the unique ability to each handle up to 140 tons of payload while at the same time increasing safety standards and decreasing environmental impact. The latter is achieved through reduced emissions on a net project basis due to a reduction in the required fleet size.

It's for these reasons that road trains occupy pole position in Unitrans Africa's bold take on the future – one that is possible thanks to the company's proven end-to-

end capabilities. "Our 'mine-to-port' capability is a major strength and this is where our immediate focus has been," says Hayworth. "We've been able to set a stake in the ground and are now looking to build on these strengths as the largest operator of road trains in Africa. We are in the final stages of research into a number of innovative offerings including electric mining vehicles, which will be revealed soon," he adds.

Unitrans Africa's extensive footprint in sub-Saharan Africa includes countries such as Namibia, Botswana, Zambia, Mozambique, Malawi, Lesotho, Tanzania and Madagascar. This presence already makes the company one of the largest material handling, distribution and logistics operations on the continent, which Hayworth ascribes to an unwavering focus on precision delivery. "Our exacting standards, high quality, performance track records and continuous improvement all translate into a gold standard when it comes to service delivery," he says. "When it comes to mining, this is reflected in Unitrans's custom designed vehicles and engineered equipment, handling of dangerous goods, superb delivery and cost efficiency, amongst other things."

As an example of this precision delivery accelerating Africa's growth, Hayworth points to the successful kickstarting of their Botswanan copper operations, which have demonstrated positive economic and environmental effects. Job growth has increased locally, GDP has grown across the SADC region as a whole and copper has contributed to a reduction in carbon emissions due to its use in electric vehicles.

"We now have proven copper handling capabilities, which we can use as a launch pad into similar operations in the likes of DRC, Zambia and Namibia in the future," says Hayworth. •

SA to see rise in exports: 2021-2023

Global supply chain disruptions could remain high until H2 2022 amid renewed COVID-19 outbreaks around the world, China's sustained zero-Covid policy and demand and logistic volatility during Chinese New Year, according to Euler Hermes' Global Trade Report. Nevertheless, the trade credit insurer expects trade growth to remain strong through 2022 and 2023, with some clear winners across regions and sectors.

After exceptionally strong performance since H2 2020, global trade of goods contracted in Q3, especially in advanced and emerging economies. However, advanced economies are suffering more from supply chain bottlenecks rather than trouble with demand: Euler Hermes finds that production shortfalls are behind 75 percent of the current contraction in global volume of trade, with the rest explained by transport delays. Looking ahead, rapidly growing orders for new transportation capacity should turn operational towards the end of 2022, while increased spending on port infrastructure in the US should significantly ease global shipping bottlenecks.

SA to see a rise in exports: After losing nearly US\$15 billion in 2020 versus 2019 (in goods and services), South Africa should see exports rise by US\$+22 billion in 2021, US\$+5 billion in 2022 and US\$+2 billion in 2023. This brings total South African exports in value terms above the pre-crisis level as soon as in 2021. Sectors that should exhibit the largest export gains in 2022 and 2023 are services, metals and automotives. In terms of target markets, the largest export gains should be derived from China, the US and Germany.

When it comes to inputs from China, Europe is losing the tug of war against the US: Europe is more at risk compared to the US when it comes to the heavy reliance on intermediate inputs from abroad. Without production capacity increases and investments in port infrastructure, the normalisation of supply bottlenecks in Europe could be delayed beyond 2022 if demand remains above potential. Euler Hermes finds that the household equipment, consumer electronics, automotive and machinery and equipment sectors are most vulnerable to input shortages.

"China is a key downside risk for Europe: we estimate that a 10 percent drop in EU imports from China could be a drag of more than -6 percent on the metal sector, more than -3 percent on the automotive sector and more than -1 percent on computer and electronics," says Ano Kuhanathan, Senior Sector Advisor at Euler Hermes, which operates through the Allianz Global Corporate & Specialty (AGCS) licence in South Africa.

Yet, reshoring and nearshoring will remain more talk than walk. Despite the ongoing global supply chain disruption, Euler Hermes finds no clear trend of reshoring or nearshoring of industrial activities so far. The only exception is the UK, which is likely to have faced disruptions due to Brexit. However, protectionism reached a record high in 2021 and should remain elevated, mainly in the form of non-tariff trade barriers (e.g. subsidies, industrial policies).

Overall, global trade will grow by +5.4 percent in 2022 and +4.0 percent in 2023. While there is a risk of a double dip in Q1 2022, Euler Hermes expects a normalisation of international trade flows in volume from H2 2022, driven by three factors:

- A cooling down of consumer spending on durable goods, given their longer replacement cycle and the shift towards more sustainable consumption behaviours.
- Less acute input shortages as inventories have returned to or even exceeded pre-crisis levels in most sectors, and capex has increased (mainly in the US).
- Reduced shipping congestions (global orders for new container ships have reached record highs over the past few months, amounting to 6.4 percent of the existing fleet) and the planned US\$17 billion spending on port infrastructure in the US.

"However, this growth comes at the expense of increased global imbalances. The US will register record high trade deficits (around US\$1.3 trillion in 2022-2023), mirrored by a record high trade surplus in China (US\$760 billion on average). Meanwhile the Eurozone will also see higher than average surplus of around US\$330 billion," explains Françoise Huang, Senior Economist for Asia-Pacific at Euler Hermes.

And the winners are...

Euler Hermes estimates that the energy, electronics and machinery and equipment sectors should continue to outperform in 2022. But the main export winner globally in 2023 should be automotive, thanks to the backlog of work and lower capex in 2021. At the regional level, Asia-Pacific should continue to be the main export winner in the coming few years (over US\$3 trillion in export gains in 2021-2023). •

New director for Smart Mobility Advisory Group

ROYAL HASKONINGDHV, an independent, international engineering and project management consultancy, has appointed Bongani Mthombeni-Möller as Director of its Smart Mobility Advisory Group for southern Africa.



Bongani Mthombeni-Möller, Director of Royal HaskoningDHV's Smart Mobility Advisory Group for southern Africa.

Her appointment is in line with the company's strategic focus on enhancing and improving the way South Africans engage with the country's public transport systems and networks, including road, rail and maritime. "The transport industry is on a journey towards digitalisation and global mobility networks are under pressure to meet demands for low emission transport options, clean air zones and new modes of transport and technology. Sustainable transport can enhance society, but we need fresh thinking and new approaches if we are to keep our cities and ports

accessible without compromising residents' quality of life or the environment," says Bonga Ntuli, Director for Infrastructure at Royal HaskoningDHV.

With over 14 years of industry and leadership experience, Bongani draws her expertise from her direct involvement in the engineering sector at both management and project level. She will be responsible for leading business development across the public and private transport and maritime sectors, and work with a team of professionals to combine expertise in active travel, smart mobility, sustainable transport planning, and development planning and engineering.

"We need to harness digital technology and data to create efficiencies, optimise performance and enhance sustainability of transport and mobility networks. This will help our clients intelligently address 21st century mobility challenges and shape the sustainable transport networks of tomorrow," says Mthombeni-Möller. "Constraints over costs and timings add to South Africa's challenge. Improving reliability, performance and service models plays a key role, as does improved network capacity and adequate asset management."

Bongani holds a master's degree in engineering from the University of Cape Town and is currently the Chairperson of the University of Cape Town's Civil Engineering Advisory Board and Chairperson and Non-Executive Director at Prosmart Training Solutions. •

Traxtion poised to lead freight rail sector

WITH A commitment from President Cyril Ramaphosa to open South Africa's rail network to third-party freight operators, Africa's largest private rail freight operator, Traxtion, is poised to lead the way. With current projects operating successfully in South Africa and across Africa, the rail freight company is assessing its options for raising significant capital in advance of the introduction of structural reform in South Africa to ensure that a meaningful number of trainsets are introduced into the country.

James Holley, Traxtion CEO, says his company's



successful operations on the 1,860km Tanzania-Zambia Rail Authority (TAZARA) railway line through the Calabash joint venture are proof not only that the South African Government is on the right track with its rail reform agenda, but also that Traxtion is set up perfectly to upscale its operations for the much larger South African

freight opportunity. A communique issued by TAZARA said the addition of 262,140 metric tons moved by Calabash Freight has increased the volume of rail freight by 26.6 percent from the previous financial year. This, the authority said, resulted in a significant increase in revenue from both freight and access fees paid.

SkyNet South Africa in private equity buyout

SKYNET OPERATIONS in South Africa, Namibia, Mozambique, the United Kingdom, Belgium and Germany have been acquired by the South African management team together with RMB Ventures (RMBV), a subsidiary of FirstRand Bank Limited, Bopa Moruo private equity and New GX Capital Holdings.

Tommy Erasmus, Chief Executive Officer of SkyNet South Africa, states: "In an economy currently characterised by downscaling and international acquisitions of South African companies, this is an exciting chapter in the South African courier industry. This will be a South African-run company expanding its global footprint and control as a first phase of a multiple acquisition strategy that will rapidly see further expansion into key strategic areas across the globe." SkyNet is a South African homegrown success story which operates in more than 170 countries. It was one of the first companies to adopt the owner-driver concept, assisting its employees to transition into small business owners, while pursuing BBBEE as a moral imperative.

The strong growth of e-commerce throughout the COVID-19 pandemic was the primary driver for SkyNet's global acquisition strategy. Global markets are becoming increasingly accessible to even small brands. "We intend to be an extension of our client's growth plans in this new environment." •



GLTC appoints new head of business development

GOSCOR LIFT Truck Company (GLTC) has announced the appointment of Glen Harrison as Business Development Manager. In his new role, Harrison is tasked with identifying ways in which the organisation can expand and grow through researching, planning and implementing new target market initiatives. Apart from business development, Glen will also be responsible for training, support and development of the battery portfolio within GLTC.

In terms of training, some of his functions will include assessing the technical knowledge of sales staff and technicians and developing and facilitating appropriate training programmes. Under his guidance,



Glen Harrison, GLTC's new Business Development Manager.

staff training will be ongoing to expand the workforce's knowledge base. Customer training, as well as new product training, will be other major focus areas of the company's training regime. As part of the support function, Glen will work closely with sales and technical staff to enhance product support. Given the projected move towards electric equipment in the materials handling industry, Glen will drive the uptake of lithium-ion (li-ion) batteries in GLTC products.

Glen has been in the battery industry for 36 years and thus brings a wealth of experience in both the sales and technical aspects of the battery industry.

Bidvest's new appointment an inspiration

XOLANI SITHOLE has risen from the townships of KwaZulu-Natal to become one of the logistics industry's most important figures. In July, he was named International Logistics Divisional Head for Bidvest International Logistics (BIL), a portfolio that will require him to help guide the company through one of the most challenging times in the logistics industry's history.

The Wits University accounting graduate comes to the position boasting a wealth of financial management and logistics experience, having held senior positions at some of South Africa's leading companies. Having joined Deloitte as a



Xolani Sithole, Bidvest's new International Logistics Divisional Head.

trainee accountant in 2006, he soon went on to enjoy stints at Sebenza Forwarding & Shipping and Otis before joining BIL as an international logistics executive in 2019.

Sithole is under no illusions of the enormity of the task that awaits him given the pandemic's impact on the logistics industry. "Of course, there are challenges.

These include the long-lasting impact of COVID-19 on the supply chain, the shortage of space on ships and of containers, the skills shortages in the global supply chain and the unprecedented volatility (more inflation) of freight prices," he says. But he believes all these can be overcome with proactive and regular communication with clients and BIL's prowess for adaptability. •

Unitrans launches ad hoc animal feed distribution services

UNITRANS SUPPLY Chain Solutions has broadened its game in supplying specialised transportation and logistics services to the animal feeds industry through launching a new ad hoc animal feed distribution service, available at short notice and competitive rates. This follows its accreditation in August this year with the Animal Feed Manufacturers Association (AFMA).



Carl Malherbe, Executive of Unitrans' Consumer Division.

One of only 12 service providers in the country to be accredited by AFMA, Unitrans achieved a 100 percent audit score, meeting AFMA protocol requirements with flying colours. The AFMA Transport Protocol describes how raw materials and ingredients for use in the feed industry should be transported and now extends to include bulk feed transportation from mill to farm.

"We are proud to have been accredited by AFMA as it gives us the ultimate stamp of approval," says Carl Malherbe, Executive of Unitrans's Consumer Division. "This accreditation gives assurance to the industry that we are meeting the stringent requirements to move animal feed safely."

"The challenge for the feed industry is not only in increasing capacity, yields and production, but also safeguarding product safety and quality during transportation. Traded globally, animal feed for livestock and poultry plays an important role in the food supply chain, making the transport thereof critical," continues Malherbe.

"It is vital to communicate, report and provide feedback on the location of distribution equipment, ensure detailed biosecurity processes and procedures are in place, as well as ensure regular, deep cleaning and sanitizing of all equipment, personal protective equipment (PPE) and staff," explains Malherbe. "The goal of this protocol is to prevent practices during transportation that create food safety risks." •

New CIPS General Manager for southern Africa

THE CHARTERED Institute of Procurement & Supply (CIPS) has appointed Dr Sara Bux as General Manager of southern Africa. This is a critical appointment as the procurement profession continues to grow in the region and more individuals and organisations are seeking training and qualifications in procurement and supply.

Dr Bux, who most recently served as Director – southern Africa at the Association of International Certified Professional Accountants, has over 30 years' experience in the education sector and has a passion for educational transformation. She possesses a high level of understanding of the regulatory education environment and networks across southern Africa, and will be focusing on more educational opportunities for all as she takes on new challenges for the procurement and supply profession.

Group Chief Executive Officer of CIPS Malcolm Harrison commented, "I am delighted Sara is joining the CIPS team with her background in education, her high level of understanding of the regulatory frameworks and her strong networks in southern Africa; she will be a real asset." •



Dr Sara Bux.



SAPICS announces theme for 2022 conference

The Professional Body for Supply Chain Management (SAPICS) has announced the theme of the 2022 SAPICS Conference: 'Purpose Driven Supply Chains'. The event will take place from 12-15 June, 2022 at Century City Conference Centre in Cape Town.

"There will be some online elements, but we are hoping that the supply chain community will be able to gather in person again to learn, network and share knowledge at the 44th annual SAPICS Conference," comments SAPICS President MJ Schoemaker.

"The VUCA (volatile, uncertain, complex, ambiguous) world in which we are living has thrown supply chain management into the spotlight across the world. Supply chain agility and transparency have become more critical than ever before. It has been an incredibly challenging time for supply chain practitioners all over the world."

SAPICS has also opened the call for speakers for the 2022 SAPICS Conference. The topics suggested by SAPICS for speakers' consideration include new insights, post-pandemic trends and innovations, Industry 4.0 and artificial intelligence, operational excellence, sustainability and the environment, synchronised planning, sales and operations planning, the state of manufacturer and 3PL relationships, and the evolution of e-commerce.

For more information and speaker submissions call 011 023 6701, email info@SAPICS.org.za or visit <https://conference.SAPICS.org> •

12-15 JUNE 2022
44th ANNUAL CONFERENCE (HYBRID)
PURPOSE DRIVEN SUPPLY CHAINS
CENTURY CITY CONFERENCE CENTRE
CAPE TOWN, SOUTH AFRICA

SAPICS
THE PROFESSIONAL BODY FOR SUPPLY CHAIN MANAGEMENT
THE LEADING EVENT IN AFRICA FOR SUPPLY CHAIN PROFESSIONALS

DHL Global Forwarding expands into Algeria

FOLLOWING ITS recent expansion in North Africa, DHL Global Forwarding is opening an office in Algiers to meet the growing demand for transport and logistics solutions in Algeria and across North Africa. The new DHL office, spread across 300 square metres, was put in operation in October 2021. DHL also opened an additional office in Hassi Messaoud to better serve its local oil and energy customers with on-the-ground monitoring, customs clearance, documentations, airfreight and ground freight shipments

handling through Hassi Messaoud Airport and Algeria-Tunisia borders. DHL plans to open a third office in Oran in the future, in line with its growth strategy in Algeria.

Magued Ragheb, CEO North Africa at DHL Global Forwarding, says, "DHL Global Forwarding has high hopes for growth in the region, and our new operations in Algeria supports this overall strategy to ensure sustainable trade growth in key markets in the Middle East and Africa. This new office in Algeria will help local businesses in the country to explore the vast cross-border opportunities through the DHL network and build synergies to boost overall service and customer satisfaction levels across the region and beyond."

Customers of DHL's Algeria offices can access its digital logistics platform Saloodo!, the entire gamut of CDZ customs brokerage services and industrial projects. DHL's Algeria operations will cater to most air, ocean and logistics needs across oil and gas, automotive, energy, life sciences, health care and the electro-mechanical sectors. •



SAAFF Training Academy launched

TO ADDRESS the looming skills shortage, the SAAFF Training Academy (SAAFFTA) has been launched. This B-BBEE Level 1, majority black-owned learning institution for professionals and businesses offers targeted training solutions and capacity building interventions for the transport, logistics and supply chain industries.



SAAFF Director Jerann Naidu.

"SAAFFTA has been established to first and foremost remedy the lack of skills that are apparent within the supply chain business environment," explains Director Jerann Naidu. "SAAFFTA aims to set the benchmark for industry best practice by linking industry experts, relevant curricula and cutting-edge learning technologies and methodologies to cultivate local talent that can compete on the global stage," he continues.

Offering a range of locally and internationally accredited qualifications and programmes, the academy also provides bespoke entrepreneurship development for small, medium- and micro-enterprises within the sectors.

Naidu explains that SAAFFTA has a collective of industry experts who align training to industry needs. "Our approach to education and training is underpinned by a blended

learning philosophy that uses in-class, virtual/online and workplace simulation tools that reinforce the subject matter taught to learners, with real-world experiences."

The use of a unique Work Experience Model producing work-ready candidates is one of the differentiating factors of SAAFFTA. "We want to add value to the industry," says Naidu. "We do not want to bleed millions of rands in penalties, costs and delays, but rather contribute to the building of a resilient logistics network that is the heartbeat of our economy."

The academy offers numerous programmes, including those of the World Customs Organisation (WCO), the Chartered Institute of Logistics and Transport (CILT), the Federation of International Freight Forwarding Associations (FIATA), WiseTech Academy, the World Trade Organisation (WTO), the International Civil Aviation Organisation (ICAO) and the International Air Transport Association (IATA).

SAAFFTA is accredited by the Quality Council for Trades and Occupations (QCTO), the South African Qualifications Authority (SAQA) as well as some Sector Education and Training Authorities (SETA). •

Demand for forklift equipment boosts Shumani

THE DEMAND for forklift equipment grew in 2021, largely on the back of orders cancelled in 2020 now filtering through, comments Shumani Industrial Equipment MD Victor Nemukula. “We expect robust demand for our products in 2022.”

Now the largest black-owned and managed industrial equipment supplier in South Africa, Shumani is an appointed dealer for all Goscor Group companies that import industrial equipment for the South African market.

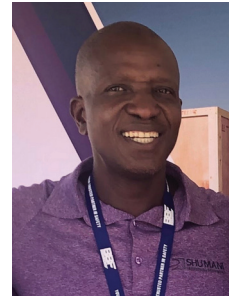
The secret to the ongoing success of Shumani is the longstanding partnerships it enters into with key customers, according to Nemukula. As a new kid on the block in 2015, Shumani was awarded a key contract by Imperial Fleet Management (IFM) to supply and maintain materials handling equipment for Transnet.

A recent example is clinching a major contract to supply close to 50 forklifts to logistics service provider Liquor Runners for a leading beer producer in South Africa. The 3.5t units are capable of handling two pallets at a time for maximum stacking and offloading efficiency.

In addition, Shumani has started to diversify into the mining sector. “These products are mostly construction and cleaning equipment. We are seeing increasing enquiries, mostly on the bigger machines,” notes Nemukula.

As the largest industrial equipment supplier into the food and beverage industry, this remains the main focus for Shumani at present. However, the mining industry is also riding high on the back of rising commodity prices. Most of the equipment supplied by Shumani is used in the stores and logistics departments of both construction and mining companies.

“Our key offering remains forklifts, which will lead the way in terms of growth. We think there’s still a lot of scope for Shumani in the market, which offers a one-stop shop. We believe the construction and mining sectors will offer support for our ongoing expansion,” stresses Nemukula.



Imperial examines AfCFTA

IMPERIAL HAS launched an insightful feature that delves into the African Continental Free Trade Area Agreement (AfCFTA) and its goal of seamless trade, travel and transport and a single African passport for all African Union member nations. The objective is to phase out tariffs on 90 percent of goods within 10 years and create a continent-wide single market for goods and services with free movement of business, people and investments. Another important goal of the AfCFTA is to create jobs, particularly for women.

The COVID-19 pandemic and vaccine roll-outs have highlighted the importance of the logistics industry in Africa as well as the opportunities this industry presents in terms



of connectivity, distribution and supply chain efficiencies in key industries. The growing consumer base and increased access to the consumer in Africa are particularly appealing to both multinational and local organisations.

However, logistics presents a major challenge, including the cost of moving products into and out of Africa being exorbitant in comparison to other continents, and getting those products to consumers in Africa remains complex. As one of the largest

logistics players on the continent, and with logistics being integral to facilitating trade, Imperial believes that the AfCFTA will play an important role from a logistics and transport perspective as countries start embedding trade links.



Kwik Delivery wins Most Innovative Logistics Company in Nigeria award

KWIK DELIVERY, the French-Nigerian technology company providing delivery, payment and fulfilment services to merchants and businesses in Nigeria, was hailed as the Most Innovative Logistics Company of the Year in Nigeria. The announcement was made at the annual Business Day Nigerian Leadership Awards, a prestigious cross-industry event for the recognition of innovators and success stories that was attended by top dignitaries across the length and breadth of Africa's largest economy.

The award is in recognition of exceptional business leaders and organisations for their sustained commitment to excellence in enterprise and contributions to the Nigerian economy. No fewer than 14 business leaders and 20 companies including a public institution bagged different awards at the Business Day Nigerian Business Leadership Awards.

Speaking at the event in response to the recognition, CEO of Kwik Delivery Romain Poirot-Lellig said, "Kwik Delivery's mission is to enable Nigerian businesses to grow, to sell more and to foster trust between economic stakeholders through the use of technology. We have been growing very fast since we were founded two and a half years ago. We have close to 100,000 B2B customers in Lagos and Abuja and are on target to reach 1,000,000 by the end of the coming year. I would like to dedicate this award to my team and the many riders and delivery partners who have chosen Kwik to provide groundbreaking delivery services."

The event was also attended by other members of Kwik's management team including Chief Operating Officer Iyeyinka Olayanju, Chief Technology Officer Olivier Decrock and Marketing Manager Michael Owatunde. •

Cummins invests in Sion Power to develop lithium metal technology

CUMMINS INC. has entered into an agreement with Sion Power Corporation, a leading developer of high-energy rechargeable battery technology, to design and supply battery cells based on its proprietary lithium metal technology for commercial vehicle applications. In connection with the agreement, Cummins has made an investment in Sion Power. The investment provides Cummins with a minority stake in Sion Power, allows Sion Power to further develop its lithium metal technology for the commercial vehicle market and positions both companies for success in the future commercialisation of the technology.

Under the agreement, Sion Power will engage in a multi-year development programme to design and supply large-format lithium metal battery cells for use in Cummins battery packs. The batteries developed by Cummins will be integrated in its electric powertrains for commercial vehicles.

"Our customers rely on Cummins to provide the most robust electric powertrains in the world," says Amy Davis, Vice President at Cummins and President of the company's New Power segment. "We need battery technologies that will meet the performance and cost expectations for tough, commercial vehicle duty cycles."

Sion Power's high-energy battery chemistry is an important component of Cummins' roadmap to electrify the company's commercial vehicle products. Based on Sion Power's proprietary lithium-metal anode technology and incorporating its patented manufacturing process, the cell provides a robust, long-lasting rechargeable battery for Cummins' demanding applications.

"Sion Power's Licerion is an enabling technology for Cummins' future electric commercial vehicle offerings," says Tracy Kelley, Chief Executive Officer at Sion Power. "Cummins is an ideal partner for Sion Power to enable this next generation of electric mobility and significantly support the decarbonisation of the transportation industry. Together this strategic relationship sets us on a path to deliver the future of batteries." •





LOGISTICS ACHIEVER AWARDS

CALL FOR ENTRIES ENVIRO AWARDS

Recognise
Excellence

Encourage
Innovation

Entries close on the 18 February 2022!



Have you implemented a solution which reduced your impact on the environment and realised tangible benefits for your supply chain?

We are looking for your green supply chain story...

The LAA Enviro awards have been a well-supported awards category of the LAA awards, recognising the impact that supply chains have on our environment and showcasing the innovative case studies that have resulted in significant reductions in waste, CO₂ emissions and improved operational efficiencies.

The global pandemic has posed significant challenges for supply chains across the globe, disrupting the flow of raw materials and finished goods as well as highlighting vulnerabilities in many operations.

South African companies are certainly no stranger to disruption, yet it is in extraordinary times like now that the need to adapt, innovate and respond effectively to the changing environment shines a brilliant light on the importance of our profession and the practitioners that meet these challenges daily.

We are looking for the supply chain game changers, the practitioners and innovators who have made a tangible difference within their supply chains to share their story with the rest of our industry. The Logistics Achiever Awards has showcased, recognised and celebrated excellence in logistics and supply chain management for over 30 years.

Enviro Awards Objectives

RECOGNISE EXCELLENCE

To recognise professionalism and excellence in the effective application of strategic, tactical and operational logistics and supply chain management principles, concepts and practices in southern Africa.

ENCOURAGE INNOVATION

To encourage all companies and organisations in southern Africa to review, evaluate and upgrade their current logistics and supply chain management practices.

CREATE AWARENESS

To create a greater awareness and understanding of the value of effective logistics and supply chain management.

Logistics Achiever Awards **Rewarding Excellence** in Logistics and Supply Chain Management

*If you have a story to share,
submit your entry today, visit
www.logisticsachieverawards.co.za
or contact Karl Murray on
karl@logisticsachieverawards.co.za for further information.*

LOGISTICSNEWS

The Independent Voice of the Supply Chain Industry

Publishing Editor:

Dalan Holton

Editorial:

info@logisticsnews.co.za

P.O.Box 1806, Gallo Manor

Sandton, 2052

www.logisticsnews.co.za

www.supplychainonline.co.za

Deputy Editors:

Lynne Yates

Loren Shirley-Carr

Consulting Editor:

Wesley Niemann

Advertising:

Melanie Scheepers

melanie@logisticsnews.co.za

Subscriptions:

www.logisticsnews.co.za

Design & DTP:

Nicole Cook

The publisher is not responsible for the opinions expressed by individuals.

© No part of the publication may be copied or reproduced by any mechanical or electronic means without the written permission of the publisher.

38th year of publication.

ISSN 1025-0492



Directory of supporting industry associations

CILTSA

Chartered Institute of Logistics and Transport SA

011-789-7327 | www.ciltsa.org.za

CIPS

Chartered Institute of Purchasing and Supply Southern Africa

012-345-6177 | www.cips.org/southernafrica

CSCMP

Council of Supply Chain Management Professionals

SA Round Table

011-678-1820 | www.cscmp.org

RFA

Road Freight Association

011-974-4399 | www.rfa.co.za

SAAFF

SA Association of Freight Forwarders

011-455-1726 | www.saaff.org.za

SAEPA

SA Express Parcel Association

info@saepa.org.za | www.saepa.org.za

SAIIE

Southern African Institute of Industrial Engineering

011-607-9557 | www.saiie.co.za

SAPICS

SAPICS – The Professional Body for Supply Chain Management

011-023-6707 | www.sapics.org.za

DESIGN AND DEVELOP
INFRASTRUCTURE
AND OPERATIONS TO
MAKE YOUR SUPPLY CHAIN
A SUCCESS



ILS
INDUSTRIAL LOGISTIC SYSTEMS^{(Pty) LTD}

Supply Chain & Logistics Consultants From Strategy to Execution

- Supply Chain Strategies
- Market and Location Analysis
- Materials Handling Systems
- Facility Design and Development
- Project Management
- Operational Systems
- Best Practice Standards
- Warehouse Management Systems
- People and Productivity Optimisation
- Operations Set-up



www.ils.co.za
info@ils.co.za

Johannesburg: (011) 656 1100



**KEMACH
FORKLIFTS**

INNOVATIVE SOLUTIONS

TO COMPLEX APPLICATIONS

*With our newly formed KEMACH Forklifts division, we now have
over 50 state-of-the-art
forklift machines to choose from!*



FORKLIFT TRUCK



HEAVY EQUIPMENT



REACH TRUCK



TOW TRACTOR



STACKER



PALLET TRUCK

Contact your nearest branch today [f](#) [t](#) [i](#) [in](#) [v](#)

www.kemach.co.za

KEMACH
EQUIPMENT

JOHANNESBURG +27 (0) 11 826 6710
MIDDELBURG +27 (0) 13 244 1839
PRETORIA +27 (0) 12 548 2956
BLOEMFONTEIN +27 (0) 51 432 3978
KWA ZULU-NATAL +27 (0) 31 700 8278

RICHARDS BAY +27 (0) 87 357 8985
CAPE TOWN +27 (0) 21 949 7442
GEORGE +27 (0) 44 878 0366
PORT ELIZABETH +27 (0) 41 453 1819
EAST LONDON +27 (0) 43 732 190