

# LOGISTICS NEWS

The Independent Voice of the Supply Chain Industry

**AI INNOVATIONS  
TRANSFORM  
PRODUCTION  
LINE PROCESSES**

**Trends shaping the  
agriculture supply chain**

**Fleet safety: how to reduce  
the risk of hijackings**

**POST-COVID  
RECOVERY**

- *Freight and transport: Advice on meeting new challenges*
- *New tech continues to influence cold chain operations*

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# Be inspired by SA's world-class supply chains

For 33 years, South Africa's supply chain leaders and innovators have showcased their achievements by entering the Logistics Achiever Awards (LAA). The individuals and their organisations have been acknowledged and celebrated by their peers, but for the first time in the long history of the Logistics Achiever Awards, the industry will now be able to gain real insight into these projects.

In this year's LAA, 10 winning entries will be shared with the industry through a 30-minute docu-video, offering greater insights into each project and the reason for their success.

All of these videos will be 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.

We have recently created two video case studies on past winners to share with the industry and thank DSV, Ceramic Industries and Inhance Supply Chains for their contribution:



**Video:**  
**LAA Case Study - Gold Winner 2019 - DSV Raceway Park**

**Video: LAA Case Study - Platinum Winner 2019 Ceramic Industries/ Inhance**

Visit [www.logisticsachieverawards.co.za](http://www.logisticsachieverawards.co.za) to view the video case studies.

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.

If you have a story to share, submit your entry today. Visit [www.logisticsachieverawards.co.za](http://www.logisticsachieverawards.co.za) or contact Karl Murray on [karl@logisticsachieverawards.co.za](mailto:karl@logisticsachieverawards.co.za) for further information.

## 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. •



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Keep your eyes on the road



#### **Iris Camera Solution**

Front-Back-Side Facing Camera Options



#### **In Cab Device**

- Job Dispatch
- Navigation
- Messaging
- Driver Behaviour Display



#### **Asset Monitoring**



#### **Trailer Tracking**



#### **Driver Identification & Driving Behaviour Monitoring**



#### **Engine Performance Monitoring (CAN)**



#### **Temperature Monitoring**



#### **Remote Door Unlocking**

Door Open/Close Sensor



#### **Fuel Level & Consumption Monitoring**



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# Ctrack leads the way with continuous innovation

South African fleet management and asset monitoring solutions provider Ctrack is continuously innovating in order to provide its customers with the latest solutions in an ever-changing environment.

**C**track is a South African company with solutions for South Africans developed locally through continuous research and development. South Africa's harsh business environment, especially over the last two years,

means that Ctrack's product development had to cater for unique business difficulties whilst improving efficiencies for owners who must ensure positive cash flows in a highly competitive environment.

Keep your eyes on the road



#### Iris Camera Solution

Front-Back-Side Facing Camera Options



#### In Cab Device

- Job Dispatch
- Navigation
- Messaging
- Driver Behaviour Display



#### Asset Monitoring



#### Trailer Tracking



#### Driver Identification & Driving Behaviour Monitoring



#### Engine Performance Monitoring (CAN)



#### Temperature Monitoring



#### Remote Door Unlocking

Door Open/Close Sensor



#### Fuel Level & Consumption Monitoring



#### Vehicle & Fleet Tracking

When developing and refining its operation, Ctrack always considers the five keys of fleet management around which all solutions are developed. Risk, cost control, fleet utilisation, operations control and asset control remain at the core of all the solutions that Ctrack offers.

Ctrack's high quality, reliable fleet specific in-cab solutions that operate with Ctrack's On-The-Road application are now also available for mobile Android devices, eliminating the need for a second piece of hardware inside vehicles. The OTR solution combines navigation and fleet experience into a platform that integrates with Ctrack's software platforms for easy data extraction.

The OTR solution allows drivers to complete their daily tasks as required. Features include driver behaviour monitoring, navigation, driver status, messaging, task management, voice calls and behaviour history. This new development saves operators money whilst empowering their drivers with a powerful tool in hand.

Ctrack's unique software capability, SMILE, is the perfect solution for challenging operational environments and bespoke solutions. With SMILE, operators can create unique efficiency and risk outputs that create endless opportunities to measure and solve an operator's critical KPIs. This ability creates the option to immediately activate risk mitigation actions, reduce risk and improve customer service levels.

The same system used within agricultural sectors allows fleet managers to set up geo zones with predefined speed limits on certain routes. Speed can be controlled on gravel roads by activating a speed limiter. These simple yet effective actions reduce wear and tear on the vehicle, reduce

warranty claims, and, in essence, mean less time for the vehicle spent in workshops.

Driver fatigue is a very serious problem with high demand on production and service delivery. By creating a SMILE script to monitor the driving hours, the Ctrack device can be configured to audibly alert the driver when driving time limits or distance is reached. If the driver chooses to ignore warnings, the Ctrack technology, through the SMILE script, can put the vehicle into limp mode to ensure that the driver takes the required break.

A growing threat to the economy and various industries is that of jamming. Ctrack's jamming detection technology reacts accordingly by implementing several mitigating protocols.

The Live Productivity Dashboard, which forms part of the online software suite, provides a 24-hour timeline of vehicle or asset movement, allowing for quick and easy dissemination and management of fleets. Users can view the movement and stationary times as well as driving times in a single graphical view.

Ctrack's Fleet Monitoring Service is a complete outsourcing option of fleet control room activities and a perfect solution for managing larger fleets. Analytics of data while considering highly proficient hindsight, insight and foresight, and concise reporting allows for the streamlining of a fleet operation, enabling business owners to spend more time managing their business.

Real-time support is on hand as dedicated fleet controllers meticulously monitor vehicle movements, route control, incidents, alerts and alarms. Thorough interrogation and interpretation of data allows for easier decision making and ultimately reduces costs and improves operations. •

# War and peace

By Doug Hunter, Manager: Customer and Ecosystem Enablement, SYSPRO, [Doug.Hunter@syspro.com](mailto:Doug.Hunter@syspro.com)

“When will we ever learn” about the significance of effective information and logistics? You need both to be competitive and to win a war.



**M**usic is great to feel, to listen to and to change our mood. Then struggle lyrics (like those quoted above, thanks Pete Seeger) touch us and shake our awareness. They help us understand how to deal with confusion and conflict in our minds – just as with proper accurate information and properly executed logistics.

Looking at current global lessons, what is our mood and motivation?

## COVID-19 pandemic – peace time

Firstly, we’re all sick of it (a pun, my word). Secondly, it is a two year-long world battle so far. Its arrival abruptly changed the ability to compete:

- **Product logistics.** Ships docked where they could. Containers were delayed or their route and lead time changed hugely. Some cargo perished, some arrived up to a year late. Container logistics costs increased as much as 300 percent of pre-covid costs. And, with lockdowns and less earnings, demand disappeared for many products or changed to more essential/affordable ones.
- **People-driven logistics.** Last-mile logistics and e-commerce/enterprise resource planning (ERP) became Olympian in innovating to get products to consumers locked down at home. Local delivery expectations exploded

as consumers shopped online for the first time replacing ‘dangerous’ mall shopping. But, few companies could react at first. Proficient at delivering to DC, then DC to store, then... hardly anyone, and people bought different stuff as well, not the mix planned for.

This pushed companies to adapt. Established global and local Internet platforms’ stock dried up, while local bricks and mortar guys had to move fast to keep some market share. Food and beverage in particular really adapted (Sixty60, PnP online store, Bottles and more).

Factors such as shelf life, lead time to delivery, order quantities, demand and availability all radically changed. If you planned manually, you almost certainly missed the boat here.

## Russian invasion of Ukraine – war

We’re shocked by this and deeply sympathetic to innocent lives lost, homes destroyed and violation of rights. In the past, wartime deaths were more from malaria, starvation and disease, as well as ineffective logistics. This war may be a competition of logistics and information.

- **Information.** A critical dimension to make sure that resources (armed forces and military equipment) plus products (munitions, food, medical supplies, spares) are effectively deployed to the correct location. But, these





locations, unlike DCs, constantly move. Stock accuracy of what is expected (or available) versus what is required where is difficult without adequate, timely planning and feedback (product, quantity and location). Systems and surveillance are required, but not always effective or possible. Visibility and/or prediction are imperative to ensure end points are known. News coverage confuses due to disinformation or dated repetition.

• **Military logistics.** Invasion on paper is clear at the start to the aggressor and planned for accordingly. Potential invasion is less clear to the defender, but their reaction is unclear to the aggressor. Add non-combative supporters (NATO, USA, EU, China) and this is a supply chain (and humanity) nightmare. Supply is relatively simple for supporters – choose what is available immediately, surplus or past its sell-by date and send. Then the aggressor or defender has to move the right stuff to the right place, preferably without the other side knowing this.

Logistics has to cope with moving targets where plan and execution rarely dovetail. Risks are high, causing enormous loss of transport, supplies and wasted expenditure. Rapid adaption and using what you have are key. Getting logistics right can win the war or beat the competition.

**‘Where have all the flowers gone’ – Pete Seeger**

Maybe surprisingly, more flowers are supplied to the UK and Europe now from East Africa rather than from the Netherlands. Adaption, slick logistics, market intelligence and strong reliable business systems still enable competitiveness from a distance cost-effectively, showing that we need to keep alert and alive “long time passing”.



*Where have all the flowers gone?*

*Long time passing.*

*Where have all the flowers gone?*

*Long time ago.*

*Where have all the flowers gone?*

*The girls have picked them every one.*

*Oh, When will you ever learn?*

*Oh, When will you ever learn?*

*Pete Seeger*



# The key to on-time delivery is a single source of truth

Courtesy SupplyChainBrain

Supply chains have long been strained by the growing demand for online retail and fast delivery, but the challenges have gone into overdrive amid a series of black swan events. Matt Heerey, President: Manufacturing Division at ECI Solutions, explains.



**T**he world has yet to recover from the supply issues introduced by COVID-19, and the ship shortage continues to impact a number of sought-after products. When container ships finally arrive at US ports, many are forced to wait for days or weeks until they can be unloaded.

The problems were severe enough to prompt an agreement between the White House and the Port of Los Angeles, which now employs a 24/7 operational model to keep up with demand. Two major shipping companies and some of the largest retailers — FedEx, UPS and Walmart — have committed to a similar arrangement. This will hopefully improve deliveries in time for the

holidays, but retailers and consumers alike are already facing unexpected hurdles.

Many consumers have tried to compensate for shortages and possible delays by shopping well ahead of Black Friday. A report by *Oracle* found that as many as 52 percent of consumers began their holiday hunt in October. Retailers have done the same — stocking their shelves well in advance of certain holidays.

While these actions may reduce the pain points felt by a strained supply chain, suppliers are also grappling with the challenges brought on by Walmart's enforcement of the on-time and in-full (OTIF) supply

chain metric. OTIF is not a new concept — in a survey by Zipline Logistics, 100 percent of retail buyers said that timeliness impacts their willingness to work with a particular vendor. Nearly three-quarters have gone as far as ending a vendor relationship due to delivery issues. But Walmart's OTIF requirements are quite significant. The retailer expects shipments to be 98 percent filled on time, and if a supplier fails to comply, it may receive a fee equal to three percent of the cost of goods.

As challenging as this sounds, the demands are not impossible to meet. By using the right enterprise resource planning technology, organisations can stay on top of retailers' growing demands and improve their OTIF performance.

### Solving OTIF challenges

Walmart's three percent fee for noncompliance is nothing to sneer at — for a larger firm, this could result in a six-figure penalty, cutting into the bottom line. With inflationary pressures encroaching on revenue goals, businesses are repeatedly faced with a difficult dilemma: endure lower profits or pass the cost onto consumers. Manufacturers simply cannot afford to let additional expenditures reduce their earnings.

Like it or not, supply chain struggles continue to plague retailers and consumers, who may not be able to get the products they want, when they want them. Some retailers have responded to these issues by reimplementing item limits, but that is a temporary stopgap that does not in any way solve the overall problem. They may also look to implement stricter OTIF policies to nudge suppliers along.

This may sound unreasonable, but manufacturers need to find a way forward. The solution is not in 24-hour operations, which is not realistic or sustainable long-term, nor can it be solved by hiring more drivers. With an ongoing shortage of talent, supply chains can't hire their way to victory — and even if they could, delivery problems would persist.

In addressing any challenges put forth by retailers enforcing strict OTIF metrics, manufacturers must consider more than the shipping process. The reality is that supply chains cannot deliver OTIF without first

addressing the root causes of the problem, many of which occur at the manufacturing level. If materials are not properly managed — if ingredients or components cannot be easily traced or stocked — manufacturers will struggle to fulfil their OTIF obligations with any retailer.

Businesses can overcome these challenges by relying on data-driven ERP technology that allows them to better manage their processes. They need forecasting, supply and demand, and warehouse management tools they can count on to deliver a clear picture of their operations at all times.

### Embracing one truth

OTIF is a challenging metric to hit month after month, so manufacturers need to be able to clearly communicate with warehouses and transportation partners to ensure they have the capacity to meet their needs. Manufacturers also want to know that their deliveries will be made on schedule.

They can certainly improve their situation by working with a diverse selection of carriers, shopping around not only for the best rate but for the highest level of reliability. Order tracking is also critical — without real-time visibility into where orders are and when they'll arrive, manufacturers will struggle to keep up.

But not all technologies are created equal. Manufacturers that juggle independent software systems to run their business expose themselves to vulnerabilities around accuracy and speed. What manufacturers need is a single source of truth with all data in one place — a technology that alleviates the challenges they face from OTIF or any other metric or expectation.

Supply chain pressures will hopefully ease in the coming year, but the volatility — caused by specific shortages, unanticipated demand or a black swan event — will likely remain. Manufacturers cannot wait for things to get better on their own, nor should they ignore the expectations set forth by the world's largest retailers. To keep up with their demand — and in turn, consumer demand — manufacturers need ERP technology that was designed to help them overcome their challenges and build the best supply chain possible. •

# 8 reasons to consider a career in supply chain management



This handy guide answers common questions for those considering a career in supply chain management (SCM) and provides eight reasons why you should take the leap.

**Q What skills do I need to work in the supply chain industry?**

**A** It depends on the role. The great thing is that supply chain roles demand a diverse range of skill sets, so chances are you already have some skills that would help you be a success. Good skills to have if you want to work in a supply chain management role include:

- Inquisitiveness.
- The ability to seek out and identify trends in data.
- Forecasting based on data.
- Problem-solving skills, with the ability to be pragmatic and think on your feet.
- Change management skills, especially in roles where you'll be managing in all directions.

The global supply chain landscape is changing by the minute, so your skills and knowledge must remain sharp too.

**Q What qualifications do I need to get supply chain jobs?**

**A** Most recruiters within businesses looking for supply chain management professionals will seek out candidates with a bachelor's degree or whatever the local equivalent is where you went to college or university. Some roles specify that you need a degree in a logistics or supply chain-related field. Others may look for graduates in general, but if you've completed a degree across a broader range of topics with modules related to supply chains and inventory management, your application may benefit.

Now we have some background to SCM, let's look at the reasons why you should consider this field for your full-time career.

### 1. You can choose your industry

The supply chain is a major part of business today, but it is more accurate to say that it is an industry in itself. While that is true to some extent, there's a difference between working in supply chain and working within a supply chain in a specific industry.

There are many different routes you can take to shape your career. With supply chains in almost every industry, you can work with a company you're passionate about and still have a role in the supply chain. A job in supply chain can give you a vital role in ensuring others who love those products get what they need when they need them. This will give you the opportunity to explore opportunities in both B2B and B2C supply chains.

### 2. Diversity of supply chain roles

Deciding you want to work in supply chain management is just the start. Supply chains have many moving parts, which means there are many different roles available.

When you work in supply chain management, you could be:

- A procurement manager, working alongside supply chain planners sourcing raw materials.
- Working in warehousing.
- An inventory management specialist.
- A distribution network planner.
- Involved in delivery fulfilment, either in terms of bulk freight or customer deliveries.
- Overseeing optimisation of the broader value chain.

### 3. In supply chain operations, every day is different

As a result of the way supply chains work, no two days will ever be the same. While this is true even of simple supply chains, complex global supply chains are even more diverse. As a result, you will never get bored with going to the office and doing the same thing every day between 9 and 5. Rather, there will be new challenges, new ways of working, new suppliers to identify and

audit, new supplier relationships to manage, new people to meet and new problems to solve.

### 4. Demand for supply chain professionals is growing

As the global economy continues to grow, low and middle income countries continue to catch up to high income nations in terms of consumption, which requires supply chains to be more robust. The demand for raw materials is increasing, warehousing needs are changing and logistics management is becoming more complex. This is resulting in a greater demand for highly skilled supply chain professionals and more opportunities.

### 5. Jobs deliver tangible outcomes

Low levels of job satisfaction can be attributed to a lack of a sense of achievement, according to many studies. In supply chain management, you get to see your work come to fruition in the real world, which often leads to a greater sense of achievement.

### 6. Opportunities to travel

If you're managing global supply chains, you may get the chance to travel pretty often and see many different parts of the world. Although the trips will be more work than sightseeing, supply chain jobs can offer an array of international opportunities.

### 7. Potential low barriers to entry

While you need post-graduate or industry-specific qualifications for many high paying fields, for supply chain roles, having a bachelor's degree is enough to get started. Some companies may not ask for any qualification. Employers often provide practical training, which can make you an expert in your field.

### 8. Supply chain and logistics management is increasingly tech driven

If you're a young person starting to work, you probably value how tech helps your career and self-development. Logistics and supply chain management is increasingly technology based as well as having the need for skilled individuals. Automation will play a role, but there will always be need for experts in the field, so it's a good combination of tech and self-development. •

# Freight and transport in post-COVID recovery

Elesh Bisla, CEO of GENRIC Marine Underwriting Managers, offers advice to the transport and freight industries on how to meet the challenges brought on by the pandemic.

**E**conomic slowdown and slow recovery in the midst of the pandemic are major challenges facing the transport and logistics industry, and this, coupled with trade tensions and political upheaval, are exacerbating the supply chain risks in the transportation and logistics industry. One of the key lessons learned from the COVID-19 experience is the massive interdependence of the supply chain, and that disruptions are becoming more severe and occurring with greater frequency.

In such an environment, the freight forwarding sector is under tremendous pressure in terms of costs and achieving operational efficiencies, while also having to balance the risks faced in safeguarding valuable and high-risk cargos through marine insurance solutions.

Elesh Bisla says that while marine insurance products are conventional in nature, each policy must be customised to meet the unique needs and risk exposures of every client, every cargo and every operating environment – from simple and straightforward, through to complex and high-value. Here, the roles of experienced marine insurance brokers and underwriters are crucial.

“In an increasingly litigious environment, as well as escalating crime and weather catastrophes, it is crucial that all role players in the supply chain fully understand the nature of freight being transported, its value including all duties and taxes, the transportation risks whether by sea, air, rail or road, who is liable and what exactly is covered at every point of the

supply chain journey. The brokers, underwriters, adjusters, surveyors and claims handlers play a crucial role in this supply chain, and their skills and experience are increasingly in demand,” explains Bisla.

## Escalating overhead costs

“Freight forwarding and cargo handling is a highly competitive industry and price plays a big role. With escalating costs from fuel to taxes, duties and security, there is always the temptation to cut costs and corners, including on the insurance side – often with disastrous consequences if and when things do go wrong. We’re seeing an increasing trend of freight operators taking the bare minimum of cover, exposing themselves to massive liabilities both in terms of their balance sheet and reputation. In some instances, freight forwarders are so eager to sign up new business that they do not fully interrogate the real value, risks and liability associated with the cargo they are taking on,” says Bisla.

Consider the implications of a logistics company that only has R500,000 damaged goods cover, but the cargo load being transported is worth R4 million. If that vehicle is involved in an accident and the load is an outright loss, the implications of a R3.5 million shortfall in cover could put the forwarder out of business permanently and they would be liable for the damages.

## Escalating crime

Escalating crime and syndicates pose another significant risk, with cargoes such as electronics, cell phones, sim cards, alcohol and cigarettes falling prey to hijackers and looters.

### Training of transport operators

Freight handling and loading is also a risk that requires training to ensure that drivers and transport operators know how to load and offload cargo correctly, as well as the correct storage and handling conditions of such goods – for example, perishables and flammable items. In such instances, it's important to understand whether your insurance coverage applies once cargo is offloaded and ownership or possession is transferred to another party.

### The importance of insurance

"It's crucial to fully interrogate the value and nature of the goods being transported, and, in turn, ensure that your marine insurance limits and conditions of cover are correctly scoped," advises Bisla.

As the effects of the pandemic continue to be felt in terms of a decline in trade volumes, service providers in the supply chain are chasing a smaller pool of ships and cargo. The temptation to cut costs and skimp on insurance in a bid to secure business should be avoided at all costs, and freight operators would do well to apply proper risk management and assessment protocols to reduce their exposures in uncertain and challenging economic conditions. A catastrophic loss of cargo that is not correctly insured could spell the end of the business and a raft of crippling liabilities.

### Use an experienced marine insurance underwriter and broker

It is here where the skills and sector knowledge of an experienced marine insurance underwriter and professional broker can prove invaluable. "Ultimately, it is the marine insurance broker who will assess the risks faced by their client, prepare the broking notes in accordance with the client's needs, ensure compliance with the sector rules and regulations, negotiate and place the risk with an insurer. Professionalism and expertise are beneficial in this critically important business that underpins the world trade and economy," asserts Bislae.

# Ensuring customer-centric communication

By Andrew Dawson, MD of MACmobile

Seamless integration across communication platforms helps remove supply chain friction and puts customers first.

**T**he route to market in South Africa, and Africa in general, faces unique challenges around line of sight, specifically relating to technology. One of these is the fact that there are multiple levels of distribution, from the wholesalers that run large database systems to the spaza shop owners that often run their businesses on paper and with a cash economy. This makes end-to-end line of sight difficult to achieve.

To maximise returns, distributors need to be flexible in the methods they use to engage with their customers. There is no one-size-fits-all approach to such a diverse market, but seamless integration and consistent messaging are critical in removing communication as a friction point in the supply chain, while ensuring that the customer comes first throughout the process.

## Levels of technology

Many providers are focusing on delivering cutting-edge apps that allow retailers to create a business environment that can easily manage stock, sales and other features. But these communication platforms are only relevant to retailers that have access to a smartphone and a data connection. If distributors focus their efforts solely on this, they risk alienating the main market, which is a significant portion of their sales.

A solution that incorporates unstructured supplementary service data (USSD) into the platform can be useful because it does not require a smartphone, a data connection or a web browser. In addition, for distributors looking to drive sales and engagement, a call centre can still be highly effective to target all customers in the market.

The key is to ensure consistent messaging across the various communication channels, which is the end

goal of an omnichannel communication strategy. It is about having different layers of technology that enable distributors to engage with and meet the changing needs of their retailers, ensuring that various customer groups are being satisfied.

## Consistent and seamless

The ultimate goal is customer-centric, seamless integration, from the manufacturer through to the wholesaler, the bulk-breaker and even last mile delivery that takes stock to merchants. Aside from creating a smoother communication system that helps to remove a common point of friction from the chain, consistent messaging and seamless integration also allows for integration of data. All parts of the platform work off the same data, providing the same view of the customer, and giving the customer the same view of the product or brand.

## Partners for success

Irrespective of the layer of technology retailers use, distributors require a single solution that enables them to deliver consistent messaging around products, pricing, loyalty and strategy from a single engagement. This is key to generating a return and growing a successful and prosperous customer base, from large retailers to the main market. They also need a solution that breaks down data silos and provides access to all of the data and intelligence that is coming out of the distribution chain.

Partnering with the right technology provider is essential in bringing together these various data sets, centralising them and enabling a single pool of data as well as a consistent messaging strategy irrespective of the technology layer. The key is to make it easy for retailers to engage in conversation through the medium they want to, when they need to, and that is preferred by their market. •



# Trends in agriculture

Gerhard Stander, Director: Retail and Agriculture, CHEP Sub-Saharan Africa, shares some of the exciting trends shaping agriculture supply chains.

**T**he global pandemic has brought renewed focus on one of the most fundamental components of the global economy: food supply chains. While delivery times for some manufactured goods have come under pressure during lockdowns, there is no such latitude for agricultural produce.

Earth's seven billion people require feeding – promptly, constantly and efficiently – which is why the supply chains for agricultural products and fresh produce are a space of constant innovation. The complex systems that feed the world also reflect many of the same trends shaping our society today. These are some of the trends emerging in the agricultural space:

## Digital twinning

Agriculture supply chains are complicated. This means that a change in any variable – such as climate or input prices – has far-reaching consequences. Fortunately, modern AI and machine-learning capabilities now allow companies to model the effect of these changes.

Digital twinning allows producers to create value by applying digital and analytics technologies to new business models and product offerings before launching them in the physical world. Using the data they capture, agriculture players can build digital twins of their physical supply chains, virtual replicas that allow them to run simulations and find the most efficient ways of moving crops through the system.

Thanks to the Internet of things (IoT), the agriculture industry is generating more data than ever, on everything from agronomy to the weather, to logistics, to market price volatility.

## Sustainability

It has become almost non-negotiable that supply chains be built on sustainable principles. CHEP has been

sustainably providing the platforms for agricultural supply chains for decades, through its share-and-reuse system of pallet, crate and bin pooling. The next frontier for sustainability is to build regenerative supply chains – systems that put back more into the environment than what is taken out.

CHEP is doing this through initiatives such as vertical integration strategies, whereby two trees are planted for every tree used in the manufacture and repair of its pallets.

## Customised platforms

Increasingly, resourceful logistics firms are producing platforms that can accommodate and protect delicate produce – apples, bananas or peaches, for example – which require reusable plastic containers (RPCs) that are robust, but also flexible, lightweight and well ventilated.

For the highest produce grades, sensors may also be installed to measure and report on the temperature, humidity and integrity of the produce throughout its journey from farm to fork.

## Partnerships and outsourcing

Producers are coming to accept that platform logistics is a specialist competence and that there are real efficiency and sustainability benefits to be gained from engaging organisations with the right equipment for their needs, and the business model to manage it efficiently.

The trend is increasing for growers, farmers and agri-processors alike to engage with specialist platform suppliers for their logistics needs, so that they can focus on their own area of expertise – producing the food that feeds the world. •



# Register for the Sustainability Summit Africa



Smart Procurement World Chief Operating Officer Debbie Tagg.

Is your sustainability programme creating lasting value or just paying lip service? Find out by attending this year's online Sustainability Summit Africa, hosted by Smart Procurement World, on 11-12 May.

**T**he sustainability procurement and supply chain event will provide key insights into the drivers, current practices and the future of sustainable procurement. Sustainability is one of the biggest buzzwords in business; but how many organisations and decision makers really know what it means and are striving for a sea change, rather than just paying lip service to the growing call to prioritise environmental, social and governance (ESG) issues?

According to sustainability, ESG and modern slavery specialist Carsten Primdal, there is a sustainability knowledge gap that is preventing many firms from making meaningful progress and delivering real value through their sustainability programmes. Primdal will share his insights with African decision makers and organisations at the free-to-attend summit, which is now in its second year.

He says that managing sustainability in the supply chain and in procurement is critical for overall business health and success. "Studies estimate that up to 90 percent of a firm's sustainability impacts come from an organisation's supply chain. However, many companies are hampered by a lack of in-house understanding of the importance of ESG issues within the supply chain and by their suppliers' limited understanding of ESG considerations. Becoming proficient in ESG can unlock efficiency, financial and reputational gains for the company," Primdal says.

Sustainability Summit Africa speaker Lazar Armianov, Regional Director at sustainability ratings specialist EcoVadis, concurs. "Sustainability is no longer a tick-the-box exercise: companies are realising that sustainable practices in the business and supply chain can lead to real, tangible business value. The World Economic Forum asserts that value creation from sustainable procurement practices can raise revenue by up to 20 percent, reduce supply chain costs by as much as 16 percent and increase brand value by up to 30 percent," he states.

While the benefits are clear, he cautions that the impact of sustainability programmes often hinges on choosing the right measures. "When evaluating suppliers' sustainability performance, factors to consider include energy usage, waste disposal, packaging materials, employee working conditions, ethical behaviour and human rights. Whether businesses decide to evaluate sustainability through next-generation ratings, legacy self-assessment questionnaires or other forms of assessment, measuring supplier sustainability is a priority," he asserts.

For more information on the Sustainability Summit Africa 2022, or to register for the event at no cost, visit [www.sustainafrica.co.za](http://www.sustainafrica.co.za) or contact [info@smartprocurementworld.com](mailto:info@smartprocurementworld.com) •

# AI brings precision and speed to the production line

With the latest developments in artificial intelligence (AI) technology integrated with modern cloud platforms, embedding AI into business processes is no longer an expensive or lengthy process.

**A**utomotive industry leaders are displaying a rapid approach to innovation by deploying an AI application in the manufacturing production line. “As an example of the efficiency that AI can introduce, let’s consider production line workers and engineers who manage reject rates in the pulley assembly process. This used to be a multi-step, manual process,” says Paul Bouchier, Sales Director at iOCO, within iOCO Software Distribution, an Infor Gold Partner. “Now, through AI-driven anomaly detection, the process is radically changed because machine learning actively checks every 10 minutes by processing millions of records of Internet of Things (IoT) sensor data on the pulley assembly production line for a potential increase in rejection rate. By suggesting the root cause for failure, workers can quickly resolve the issue in the production line. In practice, with AI, automotive leaders are recording the lowest levels of rejection rates than ever before.”

The precision and speed of the AI models are based on two years of production line and machine sensor data brought into the Infor Data Lake and used to train the machine learning (ML) model to observe when the pulley tightening process falls outside normal behaviour, increasing the rejection rate.

“In practice, we’ve seen 99 percent faster detection and diagnosis of failure (from one day to 10 minutes), lower rejection rates and improved overall equipment effectiveness (OEE) and asset utilisation. As a result, better products are delivered, and these are passing quality checks on their first pass. This then leads to a reduction in scrap and parts rework, leading to even more consistent on-time order fulfilment to customers,” adds Bouchier.

Creating agility in the sector, the AI applications can scale quickly and easily across multiple production lines and factories. In addition, OEE is the gold standard for measuring manufacturing productivity. For example, an OEE score of 100 percent means only good parts are being manufactured as fast as possible with no stop time. In the language of OEE, that means 100 percent quality (only good parts), 100 percent performance (as fast as possible) and 100 percent availability (no stop time).

“Measuring OEE and asset utilisation is a manufacturing best practice to gain important insights into systematically improving the manufacturing process. Now AI delivers integrated business intelligence and reporting dashboards to track rejection rates, OEE and additional key performance indicators (KPIs) in real time. This reduces manual load, simplifying and automating the reporting and self-service process,” concludes Bouchier. •



*Paul Bouchier, Sales Director at iOCO.*





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# Strategic Logistics Management

*Strategic Logistics Management: A Supply Chain Management Approach, Third Edition*, edited by Wesley Niemann and Gerard de Villiers, takes a systematic approach to managing the entire flow of materials, information, services and finance from raw material suppliers, through manufacturing and warehousing, to the end user.

The advent of globalisation increased complexity for companies, extending supply chains across large geographical areas and making them longer and more difficult to manage than ever before. Trends such as global economic shifts, increased consumer awareness, the rise in information technology, global pandemic outbreaks and climate change highlight a range of new challenges facing business.

Supply chains and their logistics activities are finding themselves within the public eye as governments and business struggle with the consequences of these trends. It is an increasingly difficult task to protect supply chains against disruption, tracking and tracing goods through an extended supply chain and managing the environmental impact of the logistics activities.

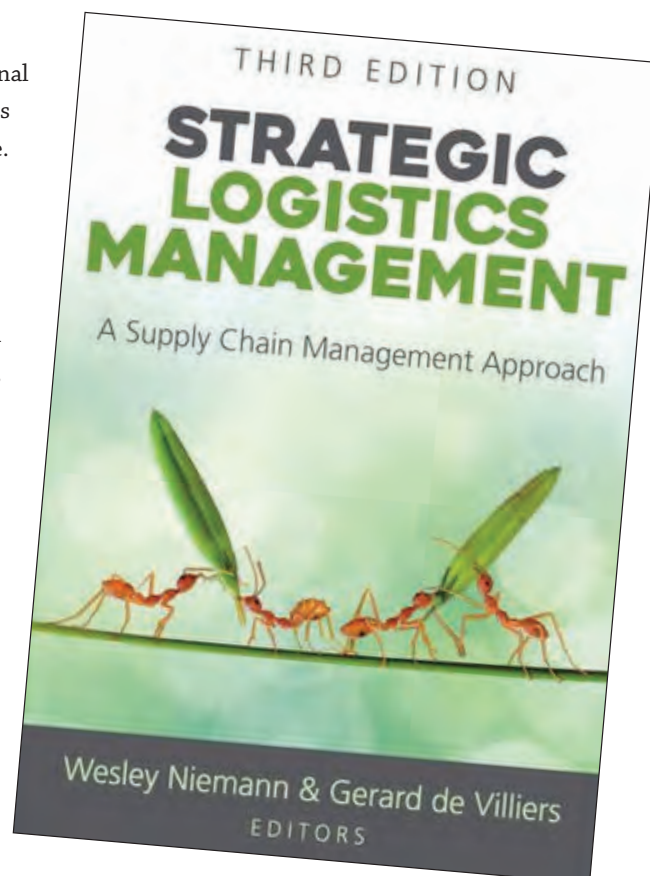
*Strategic Logistics Management* covers the operational and strategic aspects of all the components of business logistics from a supply chain management perspective. It focuses on the integration of all business processes that add value to the customer.

The book is divided into six sections for easy reference. Part A introduces logistics and supply chain management, Part B addresses the logistics functions, Part C investigates supply chain integration, Part D focuses on strategic considerations such as logistics sustainability, Part E includes contemporary issues such as city logistics and humanitarian logistics and Part F contains a range of in-depth case studies.

Terminology is clearly explained and the main points are illustrated with practical examples. New chapters in this edition of the book include Demand and Order Management, Contract Logistics, Sustainable Logistics and City Logistics.

## Subjects include the following:

- Customer service.
- Demand and order management.
- The supply management process.
- Inventory management.
- Operations and manufacturing.
- Transport management.
- Warehouse management.
- Reverse logistics.
- Information technology in the supply chain.
- Contract logistics.
- Network design and channel strategy.
- Global dimensions of logistics.
- Supply chain risk management and resilience.
- City logistics.
- Humanitarian logistics.



# Upskilling key to addressing growing technology skills gap

By Daniel Orelowitz, MD of Training Force



Technology has always been a significant disruptor in the manufacturing sector, and as the rapid acceleration of digitalisation continues, the fourth industrial revolution (4IR) is once again changing the game.

**R**obotics and automation are taking over many previously manual processes, making roles that were once fulfilled by human staff redundant. This reduces the cost of labour and, in turn, the cost of manufacturing, therefore increasing profitability for manufacturers. However, it also means that new roles are being created and there is a technology-related skills gap that needs to be addressed through appropriate training and skills development initiatives.

## Automating the future

Robotic automation can be used to significantly enhance systems and processes, making manufacturing faster, cheaper and more efficient while improving the quality of products as well as worker safety. Some of these roles include welding, assembly, packing, shipping and handling of raw materials, including hazardous chemicals.

As artificial intelligence, machine learning and robotics continue to advance, robots will be able to take on a broader range of manufacturing tasks. However, while this is beneficial for the manufacturing sector as a whole, it has the potential to leave many previously employed people short of work. The required skill sets are changing – people need to know how to work with machines, rather than how to make specific products, and upskilling has become critical.

## New skills for a new world

While machines take over mundane, repetitive and rules-based tasks, machines also require configuration, handling, management and maintenance, which in turn requires people. It has become imperative to upskill employees on new, technology-based skills such as these, because new job roles will be created as automation increases. There is also a growing skills gap when it comes to basic computing

because as digitalisation becomes more prevalent, aspects such as paperwork become computer-based.

The reality is that technology is taking away certain jobs while creating others and alternative skills are essential to ensure continued employment and employability. Rather than hiring new people with new skills, those loyal workers who have become trusted business assets should be upskilled wherever possible.

## People at the heart

The manufacturing sector is changing, but people are still at the heart of it and it is imperative to give people the skills they need to continue to be productive and employable in a technology-driven future. Training initiatives need to become aligned with new skill sets required by 4IR as a matter of priority, so that the manufacturing sector can remain competitive and that its people can remain employable.

Companies have a responsibility to train their staff to ensure they remain relevant in the new world and a moral obligation to help people develop skills that will enable them to continue being productive and employable. The benefit of upskilling and training from within is that these are people who already know the business, who understand the dynamics and processes, and will be able to assimilate new skills a lot faster than external hires.

However, in order to get maximum benefit from training and development, these initiatives need to be aligned not only with skills required by the 4IR, but also skills required by the business. A trusted training partner can help to develop a training plan and roadmap for the future to drive business forward while upskilling staff to remain relevant and adaptable in a world where technology is the future and is always changing. •

# COVID-19 fundamentally changed cold chain companies

By Connor D. Wolf, courtesy Transport Topics

The coronavirus vaccine rollout required rapid adjustment by cold chain companies that continues to influence technologies and operations more than a year later.

“**T**here have been new technologies built around the track and trace of vaccines, certainly the active containers and packaging that hold them and then even modes of transportation. There’s also been a lot of innovation with drones,” says Dan Gagnon, Vice President of global health care strategy at UPS Inc. UPS has continued to drive enhancements and investments in those areas since the early days of the rollout, resulting in the technologies becoming more refined and widely used today – for instance, better and more granular integration of tracking technologies within its operations.

“The technology has allowed us to deliver 99.9 percent effective on-time, which is a pretty significant milestone,” says Gagnon. “So, as we see other critical shipments within health care that need that kind of service level, whether it be tissues or other specialty pharmaceuticals, it’s being expanded. So, it’s covering more than just vaccine doses.”

Gagnon pointed to freezers as an example of innovation. He noted they now come in smaller sizes to handle limited batches. They also are more mobile while still being able to keep a -70°C temperature.

“I think COVID-19 was a driver of these investments for sure,” adds Gagnon. “And I think it made, perhaps, the implementation and execution a little more expedited. But here’s the amazing thing: we didn’t build a church just for Easter Sunday when we built this technology. As you look to the future, these mRNA technologies are now moving to chronic diseases. So, there will be a lot of medicines that will require frozen and cold supply chains. And they’re critical.”



## DHL constantly developing new solutions

“DHL is constantly developing new solutions and using technology to enhance compliance and efficiency,” according to the DHL Life Sciences and Healthcare global team. “The pandemic accelerated the development and focus, especially in areas related to risk management, real-time visibility, intervention management, digital quality control and data analytics.” DHL also invested in its network to add capacity to supply and transport dry ice and validated aviation networks to transport active data loggers. The importance of communication, collaboration among business units and visibility also were major lessons learned.

“The DHL global presence, expertise and infrastructure were validated and shown to be dynamic and integrated as logistic solutions were designed in collaboration between multiple units, such as freight forwarding, express, specialty courier and charter solutions, with the common vision to maintain the integrity of the vaccines, expedite the delivery to the global community and save lives,” DHL added. •

# 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.



Recognise  
Excellence

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.

Encourage  
Innovation



## 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.

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# Fleet safety

By Justin Manson, Sales Director at Webfleet Solutions

## How fleet managers can improve the security of trucks and cargo.

**T**ruck hijackings in South Africa continue to affect the country's economy. These crimes have been on the rise for some years now, with Police Minister Bheki Cele reporting one of the most considerable increases (31.7 percent) in truck hijackings just over a year ago.

Arrive Alive outlines several factors to help reduce the risk of hijackings, including the importance of drivers communicating with the control room and exercising caution when making unscheduled stops. Here are some additional measures that fleet managers can implement to improve the security of their trucks and cargo.

### Protect high-risk cargo

Cargo is at its most vulnerable when it's in transit on the road because of the countless unsafe parking spots along its route and the time it takes to get it from one point to another. As a result, crime syndicates may attempt to steal it from a stationary or moving vehicle or hijack the truck carrying it. Although cargo theft can occur at any point in the supply chain, criminals usually target goods in transit. The most considerable risk is at unsecured parking locations, where the driver and the load are easy targets.

To reduce the risk of cargo theft, drivers must lock all doors before taking breaks. They must also be aware of all the vehicle's security features and devices, including the panic button, telematics and tracking devices. As an added safety measure, fleet managers should encourage any drivers who suspect that criminals are targeting them to immediately contact the police and remain in the cabin with the engine running.

### Prevent stowaways from gaining access

There have been countless cases of stowaways attempting to board trucks undetected when entering countries illegally. This

often happens close to border crossings, but is less likely to occur en route. In most instances, perpetrators aren't violent, as long as they remain undiscovered. However, they may cause a diversion to attempt to board the truck, such as placing a barrier on the road to stop the vehicle, resulting in injuries and truck damage.

Because most perpetrators try to board trucks close to border crossings, drivers should park their vehicles in a secure space, ensuring everything is locked while waiting to clear customs.

### Geofencing

Keeping track of when drivers arrive at specific locations is one of the best ways fleet managers can keep their trucks and cargo safe on the road. Geofencing allows them to do this by providing a location-based service that defines a virtual perimeter via GPS. Geofencing allows fleet managers to track their drivers' movements and identify certain events, such as when they arrive at a location or travel in the wrong direction. The software also delivers automatic notifications when drivers leave or enter a designated geofence area, such as a high-risk crime area.

Fleet managers can also define secure zones for trucks to drive through or park using geofencing and map out specific routing. Most importantly, this software is crucial in preventing truck hijackings, helping drivers stay on track and manage their time efficiently.

Best of all, fleet managers can create geofences when they know assets will be in specific areas. Then, once a vehicle is outside of that defined area, they'll instantly be notified and can take immediate action. This saves them the cost of replacing a stolen truck or cargo. •

# On-demand economy booms

By Picup CEO and founder Antonio Bruni

There's no doubt that COVID-19 expedited the rise in e-commerce and led to the now-near institution of the home economy.

**W**hile the pandemic is coming under control with an almost complete relaxation of restrictions, the on-demand delivery trend is now firmly fixed into consumers' lives, so much so that big and small businesses need to adapt their last-mile logistics systems to cater for South Africans' increasing appetite for at-home or work deliveries.

To underline this point, in 2021, South Africa's e-commerce market was valued at \$4.5-billion and digital platforms have been widely adopted by customers across



Picup CEO and founder Antonio Bruni.

various sectors including health, food and retail. So aggressive is this uptake that it is estimated that by 2027 the local e-commerce market will reach a value of \$7.9-billion.

Research by the South African Digital Customer Experience Report 2021 shows that high shipping costs and unsatisfactory delivery options are the two primary contributors to a brand losing a sale at the virtual checkout. As such it is essential that businesses get that last-mile experience right, and that means upping their ante in the type of intelligent logistics solution software that they use.

With digitisation in the sector happening at a rapid pace, and certainly likely to come into being within the next two years, players like Picup are enhancing their experiences so that end customers get their goods quicker and more affordably. Here are the leading logistics technology trends that will soon influence the local on-demand sector – and make the home economy grow even bigger.

## Emergence of 5G technology

5G offers data speeds that are 20 times faster than existing 4G long-term evolution (LTE) networks. What this means for on-demand deliveries is that service providers can enhance their ability to use analytics-based solutions to more effectively manage inventory and supply chains. This yields better accuracy rates and speed in reaching the end customer. 5G also has the potential to enable almost real-time data analytics,

which allows businesses to make faster and more informed decisions such as circumstances related to weather or traffic. Further, 5G improves signal quality and connection, enabling drivers to work faster on the road.

## AI and machine learning

Artificial intelligence and machine learning have played a major role in the logistics sector for years now, so this is not something new. But its use is helpful at providing last-mile logistics analysis and optimisation, supplier selection and workforce planning. In the case of last-mile delivery, AI has revolutionised the experience in ways such as creating more efficient route deliveries, streamlining business processes and enabling better customer satisfaction.

## IoT

The Internet of Things (IoT) has impacted all areas of our lives, including the logistics industry. Through intelligent data analysis it helps to manage assets remotely, predicts risk, ensures proper cargo handling and can forecast traffic congestion. In short, IoT creates the connection among goods, packaging, transportation hubs and vehicles.

## Smartphone logistics

In days gone by, logistics firms would have had a hard time communicating in real time with their drivers; now, thanks to the smartphone, they can be engaged while en route. They also send invaluable data back to the system instantly, while validating addresses while on the go. Smartphones are also paperless, so the humble waybill is a thing of the past as details are captured automatically while the intelligent devices can also optimise routes meaning the delivery happens quicker.

## Changing to optimise delivery

Lastly, any brand that is adopting smart logistics technology will require a degree of change management across its business units as training will be needed to understand how to switch to technology-enabled systems. It is a 360° shift from traditional processes that are time consuming, paper heavy and slow to a more efficient, tech-enabled service that puts the customer first and delivers on demand without any cumbersome processes to slow it down.

# Managing predictive supply-demand cycles

By Melissa Jantjies, Business Solutions Manager: Advanced Analytics and Artificial Intelligence for SAS in South Africa



With events of the past two years severely disrupting supply chains worldwide, organisations have had to rethink how they manage product shortages amid increasing customer demand.

**T**he global semiconductor chip shortage has had a negative impact on manufacturers reliant on producing electronics. And with some experts predicting this could last until 2023, everyone from automakers to computer companies and smartphone manufacturers are feeling the pressure, with new orders for cars and components facing massive delays. More than ever, anticipating shipping disruptions and customer demand have taken on mission-critical importance.

## Rethinking the customer journey

Understanding the customer and deploying meaningful communications are essential in today's environment. But more than that, it is about elevating individual customer journeys to ensure the right offers are delivered at the right time and in the right channels. Personalised guidance, as opposed to pushing products, will result in improved engagement, a better overall experience and increased margin and revenues.

While this can effectively be done in the fast-moving consumer goods segment, it is more challenging in the car sales segment. Central to managing electronics shortages, which have already seen several automotive manufacturers either delay new models or remove features from existing models, is analytically driven demand planning.

## Embracing automation

Incorporating technology in supply chain management and demand planning has always been critical. But what

has become apparent is the need for all stakeholders in the supply chain to automate much of the time-consuming and resource-intensive processes through advanced analytics, artificial intelligence (AI) and machine learning.

In the pre-pandemic days, the supply chain was just another siloed process in the organisation. As the adoption of AI in the organisation and the need for data scientists have grown, the supply chain has become integrated into the enterprise.

## The future of predicting demand

The ideal future state is where demand planners use predictive, AI-driven demand planning. This sees them becoming empowered to deal with whatever happens next, even Black Swan events such as the pandemic.

In this optimal environment, demand planners will bring more value to the business through automated, accurate, fast forecasting activity. This will result in process improvements and collaboration across the company, benefitting customers and consumers as the organisation now gets powered by more advanced analytical capabilities.

Demand planning is critical to the profitability of retailers, consumer goods and manufacturing operations worldwide. The impact of getting it right or wrong on customer perceptions of a brand is significant. The pandemic has highlighted how disruption can strike at any time. •



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## AIIM and Mokobela-Shataki Consortium acquire TLG



AFRICAN INFRASTRUCTURE Investment Managers (AIIM), one of Africa's largest infrastructure-focused private equity fund managers, and the Mokobela-Shataki consortium completed a R1.6-billion takeover of The Logistics Group (TLG) on 31 March, 2022. The integrated logistics company operates in southern Africa with services across port, rail, warehousing and digital transport logistics.

AIIM, through its flagship South African IDEAS Fund and AIIF4 Fund, acquired a 74 percent stake in TLG. The remaining 26 percent stake was acquired by strategic investment partners the Mokobela-Shataki Consortium, sponsored by Moss Ngoasheng, founder and CEO of Safika Holdings, and Monhla Hlahla, former CEO of the Airports Company South Africa and current Chairperson of Royal Bafokeng Holdings.

Adding TLG to the AIIM portfolio bolsters its transport strategy in southern Africa, helping to address capacity deficits from ports and inland transport. South Africa's ports are some of the continent's least efficient. Doubling efficiency could equate to halving the distance between the country's main trading partners. Investment in transport corridors running from strategic southern African ports will benefit from strong growth prospects for various bulk and break-bulk cargoes, such as battery metals, cementing

the continent's role as a key player in the global energy transition.

Ed Stumpf, Investment Director at AIIM, says, "TLG presents a rare opportunity to acquire a multi-corridor player while addressing regional capacity constraints in partnership with Transnet and other major operators in the region." Olusola Lawson, Managing Director and Co-Head at AIIM says, "This represents our next generation pan-African fund AIIF4's first investment. AIIF4 is a thematic investor with a high-quality diversified pipeline across the digital infrastructure, energy transition and mobility and logistics sectors. We look forward to expanding the fund's portfolio."

Investment to enhance the existing TLG terminals in Cape Town, Port Elizabeth and Durban will be pursued in partnership with Transnet National Ports Authority, while operational ramp-up of TLG's businesses in Mozambique, Zambia and Namibia will be prioritised.

AIIM will also seek to develop bolt-on investment prospects in other key markets where it has portfolio investments and on-the-ground experience to ensure TLG provides a comprehensive offering along diverse corridors to hinterland centres of production or demand, commencing in the southern and east African region. •

## GLTC appoints new equipment sales manager

GOSCOR LIFT Truck Company (GLTC) has appointed Colette Engelbrecht as the New Equipment Sales Manager for the Johannesburg branch, effective 1 May, 2022. Previously the Operations Manager for GLTC's Pre-owned and Batteries department, Engelbrecht will play a pivotal role in achieving the sales targets for the Johannesburg branch, thus further growing the business in this important region.

"In her new role, Colette will be focused on developing the market and increasing sales throughout the region. She will also work alongside our technical support team in our quest to continue providing first-class service to customers," says Ronald Ryan, General Manager of the Johannesburg branch. "Growing



*Colette Engelbrecht, new Equipment Sales Manager for GLTC's Johannesburg branch.*

our business through the provision of outstanding customer service is a core focus for GLTC. Colette brings a wealth of experience to this role and she will be key to driving that focus."

Engelbrecht's forklift industry knowledge spans some two decades across administrative and commercial roles, where she has demonstrated her capabilities and is respected for her leadership and achievements over the years. In her previous role, she was responsible for the development of systems and processes within GLTC's Pre-owned and Batteries department. She also played a crucial role in the establishment of the national dealer network, stock management, improving technician efficiency and growing the national battery department. •

## Demand for electric forklifts as materials handling sector goes green

MATERIALS HANDLING is the backbone of the economy and an integral part of the logistics industry. “The growth in demand for electric forklifts as well as the uptick in the economy are drivers of the forklift market,” comments Victor Nemukula, MD of Shumani Industrial Equipment, the largest black-owned and managed industrial equipment supplier in South Africa.

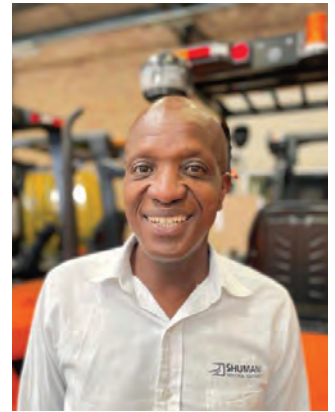
Nemukula notes that the spike in demand is not necessarily due to buoyant commodity prices, but the result of unspent capital during the 2020 COVID-19 lockdown period now being released onto the market. “The future of the forklift industry is electric. We are already seeing a gradual move away from internal combustion engines. Over time, only electric forklifts will operate across the

breadth of the economy,” predicts Nemukula.

This is because electric forklifts represent a greener, cleaner and safer energy source.

Over their lifespan, these forklifts are also far more cost-effective to

operate. “Shumani’s focus is more on improving customer satisfaction using available technology,” adds Nemukula. Communication between technicians on site and back office staff is integral to ensure a seamless response to customer queries and any breakdown issues. •



Victor Nemukula, MD of Shumani Industrial Equipment.

## New digital insurance initiative set to optimise cross-border transit

FINANCIAL TECHNOLOGY insurance consultancy Askari has concluded an agreement with Hollard Mozambique Insurance to launch its digital strategy targeting cross-border trucking fleets.

Vehicles travelling across the South Africa and Mozambique border must have third-party motor insurance and the insurance digitisation process completed in January this year will help to further eliminate potential fraudulent practices while also improving the user experience for customers.

Gary Wild, CEO of Askari, says, “Before embarking on this digitisation process, the insurance processes at the border were paper-based and riddled with inefficiencies.

Now, the wait for cash to exchange hands and hard copies of policies to be issued is a thing of the past and everything will happen in real time. Maputo is a massive transit point for South African commodities such as chromium and coal. This transition to a digital distribution system represents a major technological jump forward and

could not have come at a better time, especially as we expect to see an increase in border traffic as the world continues to emerge from the COVID-19 pandemic.”

The piloting of this digital strategy is the culmination of many years of strategising by both Hollard and Askari. The two companies have worked closely to expand Hollard’s network across the continent, which now reaches six countries. “Hollard Mozambique has always been aggressive in staying at the forefront of creative, client service driven, technical insurance offerings. Having just acquired International Commercial and Engineering (ICE) Insurance, Hollard is now Mozambique’s largest insurer by a significant margin, so we are delighted to be working with them to fulfil their strategy,” adds Wild.

In addition to its fintech developments, Askari is also a Financial Sector Conduct Authority (FSCA)-registered insurance intermediary. Having successfully completed the border digitisation project, the company is already thinking ahead and will be focusing its attention on expanding the technology across a wider range of product lines, including online sales, underwriting, credit control and claims management. “Our goal is to produce solutions to today’s problems while also preparing for future developments, which will ensure we are still relevant three to five years from now too,” concludes Wild. •



## Toyota Industrial Equipment gunning for top spot in market

2021 MARKED a watershed year for South Africa's industrial equipment and material handling industry, with a record 10,724 units entering the country. This was up by 87 percent compared to 2020, and most likely the result of precautionary measures taken by industry players to avoid the COVID-19-related shipment and supply chain challenges.



Vuyokazi Bangazi, National Sales Manager for Toyota Industrial Equipment.

Vuyokazi Bangazi, National Sales Manager for Toyota Industrial Equipment, a division of EIE Group, says many businesses have already placed orders for 2022 to guard against pandemic-related delays in the delivery of equipment. "Having noted the boom in South Africa in 2021, original equipment manufacturers (OEMs) are expecting an equally bullish market in 2022," she adds.

Toyota Industrial Equipment tracked well within this milieu, with its success largely attributed to the crafting of a clear sales strategy that was aligned with the OEM's goals. Bangazi says, "We achieved our goals by boosting brand awareness, creating a positive sales culture amongst our employees and improving our market intelligence."

She says while the pandemic certainly challenged the business, it has been interesting to note how resilient employees have proved to be, quickly adapting to new ways of doing things. In addition to the ongoing global pandemic, the unrest which took place during July 2021 in South Africa and the disruptions in the global supply chain have caused delays in the transporting of equipment including shipments into the country. Despite these challenges, Bangazi says employees were more eager than ever to perform well.

Toyota Industrial Equipment was also active from a marketing point of view. "We initiated an internal 'Let's Move Metal' campaign, which offered rewards for excellent performance. We also prioritised listening to our people and getting insight into their needs and then doing something about it.

Bangazi says that Toyota Industrial Equipment will be implementing its strategic plan with a view to capturing the market this year. In pursuit of this, the business will be focusing on entrenching its customer-centric culture and is in the process of appointing a new regional sales manager at one of its largest branches, while a dealer sales manager has already been appointed, "In fact, part of our strategy and 2025 vision is to take our business to the next level by extending our reach into new markets in Africa," she says. •

## RFA welcomes further extension for licences

By Gavin Kelly, Chief Executive Officer: The Road Freight Association

THE ROAD Freight Association (RFA) appreciates the Minister of Transport granting a further extension for those licences and Professional Driving Permits (PrDPs) that expired during the lockdown period. It trusts that the minister will consider the proposals made by the RFA to implement a permanent solution to driver and vehicle licence issuing and renewals.

Associations representing vehicle fleet operators – RFA, the SA Vehicle Rental and Leasing Association (SAVRALA) and the Southern Africa Bus Operators Association (SABOA) – call on the minister to implement the electronic driver's licence should drivers' licences not be coupled with the smart ID card as originally intended.

The roll-out of the smart driver's licence will remove the requirement for an administratively burdensome and costly Administrative Adjudication of Road Traffic Offences (AARTO) system, whilst a smart vehicle registration system will vastly improve licencing and roadworthy compliance. Systems must make it efficient and speedy for compliant fleets when being processed through any traffic management requirement, whilst non-compliant and repeat offenders can be administratively delayed, without the creation of an extra financial burden on the law-abiding citizens. •





Serco has designed and used its engineering capabilities to build this refrigerated interlink trailer.

## New Serco high volume refrigerated Interlink trailer

A LEADING transporter wanted to move high volumes of perishable goods efficiently, but the interlink trailer it had used for many years needed to be refined and made user-friendly and less prone to mechanical wear and tear.

Serco's technical team were eager to step up to the challenge and designed and built a refrigerated interlink trailer that incorporated a hydraulic system to enable through loading, rear docking and high-volume transport of perishable goods.

The interlink, a purpose-built refrigerated trailer designed specifically for the customer's requirements, was in a 9.1m/9.1m combination. It was built in such a way that there could be through loading or individual docking of each link with minimal negative impact on the cold chain. This was achieved with a custom-built hydraulic system.

Engineering specifics include:

- Custom-machined hydraulics, rolling elements and guides allow the front box to move forward and backwards along the chassis beam.
- Front and rear docking points ensure the box is secure in its resting and fully extended position.
- A custom-made hydraulic cylinder and power pack cater for the 4m stroke.
- The design incorporates an energy chain to allow for the power and diesel lines to feed the fridge and interior lighting while allowing for the box to slide.

The newly designed refrigerated interlink is ideal for transporters with high volumes of perishable food products, while also offering flexibility for efficient on and offloading of the two links independently. •

## Etihad Cargo achieves Cargo iQ recertification

ETIHAD CARGO, the cargo and logistics arm of the Etihad Aviation Group, has successfully renewed its Cargo iQ certification in accordance with Cargo iQ Standards for quality management.

Following a rigorous audit on the UAE national carrier's compliance with the Cargo iQ airline member requirements conducted by independent auditor SGS, Etihad Cargo achieved Cargo iQ recertification for its global network. Etihad Cargo was awarded two supplementary stars to recognise the carrier's performance in the Corporate Social Responsibility and Innovative Spirit categories.

"Etihad Cargo plays a crucial role in today's global supply chain," says Thomas Schürmann, Head of Cargo Operations and Delivery at Etihad Cargo. "Therefore, it is imperative that all Etihad Cargo's efforts toward meeting, providing and exceeding customer needs and requirements must be fully compliant and aligned with global industry standards that promote harmony, transparency and industry-wide best practices. Etihad Cargo is proud to have been recertified by Cargo iQ and that Etihad Cargo's products, services, operations, as well as the delivery of its promise and commitment to customers and the market, are in line with the Cargo iQ airline member requirements."

Cargo iQ is an IATA interest group with the mission of creating and implementing quality standards for the worldwide air cargo industry. The Cargo iQ certification and its stringent airline member requirements are at the core of Etihad Cargo's service delivery and performance management. The certification also serves as a benchmark for the cargo carrier in keeping its processes aligned with industry best practices for the benefit of its customers from all over the world.

As a collaborative, multi-stakeholder community that works towards continuously improving the air cargo customer experience, Cargo iQ provides the industry quality management system for service delivery, real-time end-to-end transparency in planning, execution and evaluation of shipments and standards and practices that facilitate the ever-evolving business models and needs. •







## Transnet opens up parts of its freight rail network

TRANSNET INVITED bids from the private sector to operate sections of its freight network as it seeks to improve deteriorating infrastructure that is damaging the country's mining sector. Transnet, whose rail infrastructure has been underperforming after years of underinvestment, widespread copper cable theft and vandalism, will be taking bids from 1 April to 31 May, 2022, the company said.

The company's total freight rail volumes declined by nearly 14 percent from 212.3 million tons in 2020 to 183.29 million tons last year, the worst performance in a decade, company records show. "This is important for us," says Transnet CEO Portia Derby, adding that the move will increase "the dynamism of the sector".

The rail company's woes have cost exporters, especially the mining and agriculture sectors, billions of rand in potential revenue, though Transnet said it has no plans to open its coal and iron ore rail lines to private operators.

Transnet said the service along one of its container rail lines from City Deep near Johannesburg to the port city of Durban was taking twice as long as scheduled because of theft and vandalism.

South African President Cyril Ramaphosa has ruled out privatising Transnet, but in February directed the state-owned company to allow private rail operators to operate on the country's core network. Transnet said the first phase of the programme would make 16 'slots' on its rail routes available to private operators for specified periods. •

## FAO South Africa acquires EIE Group

MATERIAL HANDLING and warehousing equipment supplier

EIE Group in South Africa will be known as CFAO Equipment,

effective 1 April, 2022. This follows the recent acquisition of the company from enX Group by CFAO South Africa, a provider of integrated mobility solutions across the automotive value chain.



Andrew Velleman, CEO of CFAO South Africa, says that the venture will be beneficial for both companies, extending CFAO South Africa's market offerings to include the supply of material handling and warehouse equipment from reputable global manufacturers, including Toyota Forklift.

"The acquisition of the company by CFAO South Africa is an exciting opportunity to leverage the organisation's extensive industry expertise. To be a part of CFAO South Africa will strengthen our position as the market leader in southern Africa" says Vuyokazi Bangazi, National Sales Manager, EIE Group.

From the sale of new and used vehicles and trucks to supply chain, logistics management and assembly for the automotive industry, CFAO South Africa delivers a range of integrated mobility solutions across the automotive value chain, contributing towards the support, development and growth of the automotive industry in South Africa and across the rest of Africa.

Until now CFAO South Africa has been operating through:

- CFAO Motors South Africa, a comprehensive automotive dealer network of multi-brand dealerships.
- Toyota Tsusho Africa, a trading and supply chain management specialist company that delivers a range of value-adding solutions for the South African automotive manufacturing industry.
- Africa Mobility Solutions, responsible for the export and import of vehicles and parts in Africa, particularly Toyota, Hino and Suzuki.

"I am proud that we are integrating the network and expertise of such a reputable industrial equipment supplier into our business. The evolution of the company to form CFAO Equipment will have no operational impact on our loyal customers, and we will continue to provide world-class products and services to the material handling and warehousing industry that we have become synonymous with. CFAO South Africa remains committed to transformation and is planning a new B-BBEE transaction for CFAO Equipment to retain the current transformation rating," says Velleman. •

# LOGISTICSNEWS

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## Directory of supporting industry associations

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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

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SA Express Parcel Association

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SAIIE

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