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DACHSER

magazine

THE WORLD OF INTELLIGENT LOGISTICS

LOGISTICS WITH A SWISS TWIST

HERB COUGH DROPS
FOR THE WORLD

BRAZIL
A BROADER
HORIZON

SUPPLY CHAINS
THE POWER
OF DATA



FINAL COUNTDOWN

So much for a breather: the holiday season is traditionally when life really kicks into gear.



15,950 kg is the weight of the heaviest sled ever pulled by a Santa Claus. Donning the red hat was a powerlifting pastor named Kevin Fast from Canada, who, on November 18, 2013, pulled the sled for charity along Queen Street in Cobourg, Ontario, in 33.3 seconds—setting a Guinness World Record.



75 billion messages in just one night: this is the total number of “Happy New Year!” wishes sent via the WhatsApp messaging service around the world on New Year’s Eve 2018. This is just a rough estimate, but one thing is certain: the large volume of well-wishes and New Year’s resolutions caused the servers to go down several times.

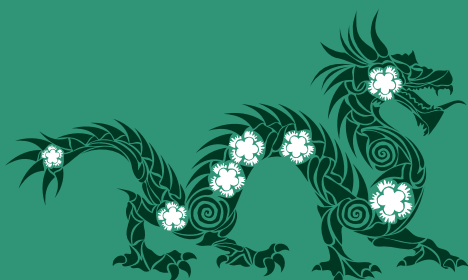
1,560 minutes is how long New Year’s celebrations last—in other words, it takes more than a whole day for the New Year to arrive in all 38 time zones worldwide. Both the first and last New Year’s celebrations are held in the Pacific: the people of Samoa are the first to pop the champagne corks, with Baker Island rounding off the world’s New Year celebrations a whole 26 hours later.



16 is the number of times New Year’s Eve can be celebrated on the International Space Station. This is how often the ISS crosses the international date line on New Year’s Eve, but the crew on board toasts only three times: when the control center in Moscow and the NASA headquarters in Houston welcome the New Year, and also when the clock strikes midnight according to Greenwich Mean Time.

1,200 is how far the Three Wise Men followed a star to pay homage to the baby Jesus in the stable in Bethlehem.

According to Catholic tradition, two came from the southern shore of the Caspian Sea, and one from what is now Pakistan. Their journey back then would have taken them around eight weeks by camel; today, that same distance can be covered in just two hours by plane.



3 billion is the number of trips expected to be made in China for the Lunar New Year celebrations (which in 2020 begin on January 25), according to the country’s National Development and Reform Commission. This family holiday triggers the world’s largest annual migration. For the Lunar New Year in 2019, people made an estimated 73 million trips by plane and 413 million trips by train to celebrate with their families. The majority, however, travel to their loved ones by car or bus.

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AROUND THE WORLD IN 13 HERBS



World famous:
The original Swiss
cough drops

Logistics for the soul. Or better said for the throat, at least where soothing Swiss mountain herbs and delectable secret recipes are at play. With the help of Dachser, Swiss herb candy manufacturer Ricola is finding its feet in the global markets.

It thrives best in grasslands, sparse forests, and on rocky mountain slopes up to 2,000 meters above sea level: Pimpinella saxifraga, also known as burnet, is a mountain herb that packs a punch and enjoys an excellent reputation all around the globe. Similar to ginseng for the Chinese or eleuthero for the Russians, burnet was an elixir and essential tonic for the Native Americans. It was also cultivated as a spice and medicinal plant by the ancient Egyptians, Greeks, and Romans. →

Jochen Layer,
Vice President
Corporate Fulfillment
Ricola AG



“Mutual trust, honesty, and a passion for innovation form the foundations of a long-term and sustainable collaboration

The nutritious herb is one of 13 varieties grown by around 100 Swiss mountain farmers in line with organic standards. They nurture, tend to, and harvest the herbs, often laboriously by hand, for one purpose: to make the original Swiss cough drops. These cough drops and their top-secret recipe have barely changed since production began in 1940 in the small municipality of Laufen, just south of Basel. It didn't take long for people to hear about the cough drops' soothing effect on the throat and voice. Today, Ricola is a global brand, boasting at least as much “Swissness” as a Swiss Army knife.

The family company dates back to the year 1930, when confectioner and baker Emil Richterich shifted his focus to specialty candy, in particular cough drops, alongside the day-to-day operations of his confectionery business Richterich & Compagnie. His breakthrough came ten years later when he came up with the 13-herb blend: Ricola's original cough drop was born.

Today, Raphael Richterich represents the fourth generation of the company. His father, Felix Richterich, is the grandson of founder Emil Richterich and served as Ricola CEO for many years. In May 2019, Felix handed over the operational reins to new CEO Thomas P. Meier and now focuses on the strategic orientation of the company as Executive Board President. Ricola employs around 500 people all around the world, 430 of whom are based in Laufen. The company generated CHF 339.3 million in group revenue in 2018. Ricola exports the vast majority of its products—around 90 percent of its hard and liquid center cough

drops as well as herb drops and instant teas—to over 50 countries all around the globe, primarily the United States, Germany, France, and Italy. And also to Asia: Ricola is the market leader for herb drops in Singapore and Hong Kong.

Local contacts

All roads start in Laufen: the family company has been working with Dachser Air & Sea Logistics Switzerland to distribute its products around the world since 2008. “At the time, we were looking for an experienced and reliable partner who could help us access markets where, ideally, it already had a presence itself, and who would give us maximum control over the various processes based on its network and IT capabilities,” explains Jochen Layer, Vice President Corporate Fulfillment at Ricola AG. “We felt like we were in good hands from the word go with Dachser, and that our needs were fully understood. That goes not only for our direct contacts in Switzerland but also for our contacts in the Dachser branches in the Americas and the Far East, where a large proportion of our exports are delivered.” In the ten years that have passed since initiating the partnership, the ever expanding collaboration with the logistics provider has gone from strength to strength.

Layer stresses just how important process reliability is to Ricola: “We need to know that quality standards are maintained in compliance with the relevant standards along the entire supply chain,” explains Layer. It's in the nature of the product. Layer explains how the cough drops—which Swissmedic, the Swiss authorization and supervisory authority for drugs and medical products, classifies as a simple medicine available without prescription due to their ingredients—need to be handled with special care when making their way from production into the markets. He describes how every step of the supply chain had to meet the International Food Standard (IFS) and also the strict standards imposed by the US Food and Drug Administration (FDA) for food and OTC (over-the-counter) products in the US and Canada. “Hence our need for a logistics partner who is competent, reliable, and at the top of its game,” Layer says.

The industrial engineer certainly has high expectations of the logistics services provided to the long-established Swiss company: “We're always looking at the bigger picture, at optimizing all our processes and continuing to develop the supply chain. Our aim is to have robust and absolutely reliable supply chains that enable maximum trans-



Something worth celebrating: 10 years of Ricola



Swiss herbs are good for you

parency along the entire flow of goods. We're not looking for a revolution here, but an evolution geared to the respective market conditions."

Aiming high, with both feet on the ground

Taking a holistic view of joint efforts and not merely focusing on quick success fits well with the Ricola culture, which has always combined high quality with a down-to-earth nature and an appreciation of values. This is also reflected in the production and administration buildings in Laufen, where typical small-town façades meet top-class architecture on the otherwise nondescript Baselstrasse. In the 1980s, the entrepreneurial Richterich family commissioned two young architects in Basel to design a private conversion. Jacques Herzog and Pierre de Meuron excelled in their work, creating a remarkable high-bay storage unit. Having shot to international fame, Herzog & de Meuron went on to build further structures here, including the spectacular administrative wing, with its generous use of glass and technical finesse, as well as an herb center made of clay, which architecture and art enthusiasts from all around the world still make the pilgrimage to see today. Moreover, the architecture has always represented the family company's acknowledged values, such as, for example: "The basis of all company decisions is the uncompromising standard of quality that Ricola applies across all areas of the company." Business success is not an end in itself, but should instead serve to take responsibility for the employees, the company, and the environment.

Shared cultural understanding

"There was clearly a special cultural fit between Ricola and Dachser from day one," Layer and his counterpart Samuel Haller, Country Manager for the Air & Sea Logistics business field at Dachser Switzerland, are agreed. "Mutual trust, honesty, and a passion for innovation form the foundations of a long-term and sustainable collaboration; one that may well lead to us discovering new ways and means together further down the line," Layer emphasizes.

Listening to each other and being able to understand the different situations that might arise in order to then develop creative solutions time and again is a real asset to both companies. "Success requires empathy; it can come about only through understanding collaboration."

The collaboration between Ricola and Dachser, which has now been going strong for over ten years, is proof of this theory. It is spurred on by the general willingness on both sides to engage in an open and creative exchange. "We can always be straight when it comes to our expectations of one another," Layer says.

This has led to Dachser and Ricola becoming increasingly in sync as they expand and continuously strengthen their transparent process and supply chain. In 2012, Dachser took on the responsibility for supply chain risk management on behalf of Ricola. "This is a massive vote of confidence—and it also places us under a huge obligation," says Bruno Zwiker, Sea Freight Manager at Dachser Air & Sea Logistics Switzerland. "Production might be running smoothly at our end, but if the containers carrying our goods get stuck somewhere down the line, production can come to a complete standstill in the target market," Layer confirms. "It's then that we need dependable partners who are clued up and can act immediately. This ability to act fast and come up with a solution is what we have found in Dachser."

All from a single source

Ricola and Dachser are currently improving how they access core markets in Asia and North America as well as accelerating their ability to supply to Central and South America, which will now also be supported by a contract logistics hub in Panama.

The necessary efficient underlying IT processes are ensured by the transport management system Othello, which forms the digital backbone of the globally connected logistics services. "We offer our customers full transparency when it comes to transporting our products from Laufen to the United States. We also draw on a choice of carriers for secured transport capacity. This makes it easier for Ricola to regulate its stocks along the entire supply chain and →

PROFILE

Ricola is one of the most state-of-the-art and innovative confectionery manufacturers in the world. The family company now produces around 60 types of herb cough drops and specialty teas in Switzerland. With its company headquarters in Laufen near Basel and subsidiaries in Europe, Asia, and the US, Ricola exports its herb specialties to more than 50 countries around the world and is known for its Swiss quality.

www.ricola.com



The herb center in Laufen



Production in full swing



to further minimize storage times between the end of production and distribution. And all from a single source,” Zwiker says. This results in the optimum use of the US as a base and safeguards Ricola’s market position thanks to a well-planned, swift supply.

From Haller’s perspective, the one-stop-shop approach benefits all those involved. In his experience, focusing on one partner adds considerable value “both for distribution partners and for the Ricola Group itself.” Moreover: “This type of concept also entails clearly measurable economies of scale. We can optimize costs to a significant extent by improving capacity and procurement management. This could be in terms of Tradelane synergies, for instance, or by reducing waiting times by pooling containers at the depot,” Haller says. By keeping the interfaces with the logistics provider to a minimum, Ricola can also concen-

trate more on the needs of its customers, which in turn strengthens customer relationships.

Layer is pleased with how the collaboration with the logistics provider has shaped up since getting off the ground over ten years ago: “We have already taken advantage of so many business opportunities with Dachser by our side. With our mutual, holistic understanding of logistics, we’ve continuously improved our processes and added value for our customers.” With an eye to Supply Chain Management 4.0, Ricola is now looking to further intensify its partnership with Dachser through the increased digitalization and integration of processes. “This long-term collaboration based on partnership and trust would not be possible without our shared values and principles.” They are as integral to the partnership as the blend of 13 herbs is to Ricola.

M. Schick

Swiss by name, Swiss by nature: Ricola grows the herbs for its cough drops in Switzerland and processes them right away on site. The plants are dried, cleaned, cut, stored, and mixed in the herb center in Laufen. From the herbs to the finished product, all stages of production take place in Switzerland.

FACE-TO-FACE



“Thinking outside the box – creating common added value”

Interview with Samuel Haller, Country Manager for the Air & Sea Logistics business field at Dachser Switzerland, on the field of logistics and how it can benefit balanced partnerships

Mr. Haller, where do you see the challenges in helping a customer like Ricola find its feet in the global market?

Samuel Haller: International logistics for herb cough drops would appear to be a simple case of transportation at first glance. But our collaboration with Ricola covers more than merely moving several hundred containers a year between Switzerland and the US. We also work together on developing an independent, holistic logistics concept for managing distribution and sales that is as reliable and valuable as possible.

How do you go about this?

We are in regular contact with one another and have set up a structured, methodical way of keeping each other in the loop. We always have Ricola’s specific needs and strategic aims in mind, and look at how we can combine them with the network intelligence offered by Dachser. By weighing up direct and indirect costs and the benefits brought to the end customer, we are able to derive and measure relevant objectives.

Approaches can then be fleshed out together.

This fully reflects the Dachser mission to optimize the logistics balance sheet of our customers.

What requirements must be met for this kind of highly integrated logistics service to work well?

Just like with Ricola and Dachser, there has to be a cultural fit. An open mindset and clear values have enabled a partnership to develop between the two family-owned companies, which results in completely new, exciting, and innovative concepts. We don’t come up with them by constantly replicating what we’ve already done, but by thinking outside the box and across different disciplines to open up new prospects. This approach has allowed us to successfully explore all kinds of new horizons with Ricola for over ten years now, unlocking a huge amount of potential on both sides.

HELPING PEOPLE TO HELP THEMSELVES



Giving young women
a future

DEVELOPING FROM WITHIN

Joint grassroots projects that make a difference: Dachser and the international children's aid organization terre des hommes are expanding their long-standing partnership and commitment to social responsibility in the regions of South Asia, Southern Africa, and Latin America.

Based on the idea of “helping people to help themselves,” the grassroots projects focus on the fight against human rights violations—in particular all forms of violence against children and women—as well as on commitment to providing a healthy, clean environment, and on the education of young people—especially girls and young women—and supporting them on their way to finding gainful employment. Given that developing and emerging countries play a critical role in the fight against climate change, the partnership supports projects that center on climate protection and provision of the appropriate infrastructure. For each of the three project regions—South Asia, Southern Africa, and Latin America—Dachser is providing annual funding to the tune of EUR 200,000 for the next five years.

Staying power is a must

“For the development partnership to make a real difference, you need staying power and to make sure social responsibility is firmly rooted in the local communities,” says Bernhard Simon, CEO of Dachser. “That way, the issues that really need attention are the ones that get addressed. terre des hommes and its local partners ensure that youth and women's groups have the opportunity to articulate their concerns and, with our support, take action to support the ongoing social and ecological development of their local community.”

Dachser and terre des hommes have been working together in the North Indian state of Uttar Pradesh since 2005, where they have achieved a great deal so far:

- Almost 32,000 children have now been informed about their rights to live a life free of violence, child labor, and sexual exploitation.
- More than 18,000 children have been given support in preparation for regular school attendance.
- 5,400 young people, mainly girls, have learned simple handicraft skills such as tailoring, sewing, or weaving in order to earn their own money and support their families financially.
- Some 5,000 young people got involved in street theater or other activities to raise awareness of social problems, such as alcoholism or violence against children and women, among their communities.
- And more than 4,000 young people have taken part in environmental protection workshops and planted almost 50,000 trees as part of reforestation campaigns.

New projects in India and Nepal

Dachser and terre des hommes will continue to support two districts of Uttar Pradesh and two urban slums in New Delhi, and will be adding the following regions to their outreach projects for the 2020–2025 period:

- In the Indian state of **Bihar**, one in three people lives below the poverty line, i.e., without access to clean drinking water, sanitation, housing, education, or work. Violence, particularly against women and girls, is widespread: trafficking and abduction of girls for forced marriages are an everyday occurrence. In the districts of Katihar and Munger, where the problem is especially



acute, Dachser will support two local organizations over the next five years to provide girls there with better protection.

- On the western edge of Nepal, the **Bajura** district is suffering increasingly from drought and food shortages; the people scrape by the best they can on subsistence agriculture. Access to education and career opportunities are virtually non-existent, often forcing young people to migrate to India to find work in the cities there. In a project set to run through 2025, Dachser will support a local organization in improving the education and living conditions of 600 families in the region

More information at: www.dachser.com/campaigns/terredeshommes/en/index.html



FROM THE LABORATORY OF THE FUTURE

Artificial intelligence

HOW COMPUTERS LEARN

Machine learning is a computer technology that is currently undergoing rapid development. In most cases it is the brains behind what is commonly referred to as an artificial intelligence revolution. What potential might it have for logistics?

As with anything that gets overhyped, machine learning technology is not about to solve all our problems and so will not change everything. That's why most existing IT systems in logistics will not be replaced by machine learning and hence artificial intelligence. But the technology does have the potential to address problems that conventional programming logic has so far been unable

to solve, prime among them image, text, and speech recognition, the interpretation of complex data volumes, and predictive analytics. This has several intriguing implications for logistics: for example, the forecasting of volume and price developments, the classification of packages using images, the interpretation and automatic further processing of unstructured input data (e-mail inquiries, for example), and the operation of autonomous vehicles and machinery in changing working environments.

Preparing for every eventuality

When using typical if-then-else programming in these use cases, it would be necessary to think of all eventualities in advance and convert them into lines of code. However, this is not usually possible due to the complexity and amount of data. Machine learning takes a different approach: an algorithm trains itself automatically based on historical input data. This process, which is also known as the learning phase, can be said to have been a success once the algorithm is able to calculate the desired output data for similar but unknown input data. The algorithm has then independently found a regularity through its training.

The human brain's ability for abstraction

Machine learning refers to a whole range of traditional mathematical techniques, such as decision trees or what are known as k-means (clustering). Another approach involves artificial neural networks (ANNs), which realize a type of abstraction model of the human brain and are inspired by human learning behavior. Many developers currently rely on deep learning—i.e., ANNs with a large number of neuron layers—to deal with high complexities. Especially here, they are trialing various methods and tools.

Machine learning is a promising technology, and its initial applications are encouraging. However, it is still in a development phase. When and to what extent it will change supply chains will become apparent only in the next few years.

Andre Kranke,

Department Head R&D Research & Innovation Management



Machines are able to learn but cannot replace people entirely

The "From the laboratory of the future" feature presents findings from the Research & Development division, which works in close collaboration with various departments and branches, as well as the Dachser Enterprise Lab at Fraunhofer IML and other research and technology partners.



Dachser Air & Sea Logistics

EDOARDO PODESTÀ TAKES OVER

Since mid-October, the longtime Managing Director of the Asia Pacific region, Edoardo Podestà, has headed Dachser's global air and sea freight business as the new COO Air & Sea Logistics. He takes over the position from Jochen Müller.

The job of heading up the global air and sea freight business has gone to Edoardo Podestà, a seasoned Dachser manager. The 57-year-old Italian joined Dachser back in 2003 as part of the management team for the Züst Ambrosetti Far East Ltd. joint venture after Dachser had taken full control. In recognition of his successful expansion of the air and sea freight business in Asia, he was appointed Managing Director of the Asia Pacific busi-

ness unit in 2014. "Edoardo Podestà combines his success as an entrepreneur and strong leadership skills with his profound knowledge of the Asian and global air and sea freight markets," says Bernhard Simon, Dachser CEO. "As COO Air & Sea Logistics, he will continue to expand our intercontinental network for air and sea freight and link it even more closely with our European overland transport network."

Careers at Dachser

HEADING FOR A GREAT FUTURE

Excellent logistics calls for excellent employees—at all levels.
The new training year has begun.

More than 740 future logistics specialists started work as trainees at Dachser's German branches this year, training in the company's commercial or operational

areas. Of this group, 38 of them are completing a dual work-study program with Dachser. Currently, the family-owned company has a total of more than 1,860 trainees and students across Germany. It's not uncommon for people to work at Dachser for a long time: in Germany, for example, out of around 16,300 employees, over 10 percent have been at the company for more than 20 years.



Training gets underway in Überherrn



The evolution of
knowledge repositories

“ You might think that there’s no stopping this wave of digitalization that’s upon us—but let’s take a moment to think about the authorities, who are so famously set in their ways

KNOWLEDGE YOU CAN TOUCH

People began storing data early in the history of humanity and public authorities have played an instrumental role in this ancient custom. Without their penchant for eagerly compiling information, many processes might never have been established.

We're living in the age of big data and you'd be amazed by what you can learn from the mountains of information we collect. With a high degree of accuracy, algorithms can predict how many sales a given supermarket will make of a certain kind of sandwich tomorrow. Artificial intelligence is quite literally taking control. And every single day new apps come out that perform tedious tasks so we don't have to. You might think that there's no stopping this wave of digitalization that's upon us—but let's take a moment to think about the authorities, who are so famously set in their ways. In many countries, civil servants still lead fierce paper battles with citizens or send letters summoning them to their office. "Please take a number and wait to be called."

Some might say that it's in these bureaucrats' nature to reject any kind of innovation before they even know what it's about. But that would be doing them a disservice. Although the term "electronic file" might still cause some heads of public authorities to break out into a sweat even today, civil servants have played an instrumental role in the history of data processing. If it weren't for these early advocates of information storage, civilizations wouldn't have been able to develop as they have.

Historians have traced the emergence of written communication all the way back to early administrative activities. After all, the larger that realms grew over time, the harder it became to work out from memory who owned which territories. In the early days, bookkeepers made use of pictograms, which were the basis for the development of hieroglyphics in Egypt about 5,000 years ago and of the Sumerian cuneiform script in Mesopotamia. Although some of the stone and clay tablets that early civilizations produced depict religious themes, the main purpose of these items was for documenting official information. Archaeologists have uncovered tax assessments, temple receipts, and official decrees recorded in this way.

Logistics support

Over time, scripts became simpler and easier for other sections of the population to understand, enabling philosophers and scientists to note their observations, for instance, and artists to preserve their work for future generations. A big development in the history of data collection came when the Phoenicians developed the first phonetic

alphabet. This functional script supported the seafaring community with logistics by giving them a means to record information such as which goods were loaded onto which ship. One thing the Phoenicians ended up exporting throughout their extensive trade network was their alphabet—from which almost all modern scripts are derived.

For a long time, information was recorded on a wide range of different materials, including stones, bones, leather, papyrus, wax tablets, and even tortoise shells. It should be noted that the person credited with inventing one writing medium still widely used today was in fact a civil servant: Cai Lun was serving in an office in the court of the Chinese emperor in the year 105 AD when he first documented the papermaking process we're all familiar with today. Mass production of paper began around 900 years later in Europe, and books and booklets became the "knowledge repositories" of choice.

Mountains of data

It was a highly bureaucratic act that ultimately marked the transition to modern data processing: in the 1890 census, the United States Census Bureau used punch cards to store numerical information for the first time. A semi-automatic system was used to read the cards and add the values up automatically. Thanks to the speed and precision of the process, its inventor—Herman Hollerith—became highly sought after at public authorities, banks, and large industrial companies. In addition to punch cards, other storage media began to emerge at the time that relied on technology: photosensitive film was used to capture photographs, and sound recordings were transferred onto phonograph cylinders. These were later followed by magnetic tapes and compact disks.

Today, semiconductor-based storage media serve as a universal data storage solution—cards as small as fingernails have the capacity to hold hundreds of thousands of photos or several million pages of text. Estimates put the volume of digital data stored around the world at over 40 zettabytes—and this figure is expected to more than quadruple to 175 zettabytes by 2025. If all this data were saved on DVDs piled on top of each other, the height of the stack would be some 23 times greater than the distance between Earth and the moon. And even the huge piles of paper that some authorities still sit on today resemble small hills. S. Ermisch



"Those who record reap the reward," as the saying goes. In ancient times, the reward was ensuring the longevity of meaningful information. Significant inscriptions were either carved into stone or burned onto metal in a storage process known as informare, from the Latin "to inform".

DIRECT IS THE WAY TO GO



The right quantity in the right place at the right time: screws, tools, and assembly and installation material should always be delivered on time. A comprehensive direct delivery concept at Adolf Würth GmbH & Co. KG ensures that everything arrives on time across Europe. Dachser is in charge of forwarding deliveries.

Less talk, more action—the only way to find out what the customer really needs is by “doing.” Professor Reinhold Würth believes proximity to the customer is the be-all and end-all of successful management. The figures at the wholesale company for nuts and bolts, founded in 1945 in Künzelsau, Germany, show that this philosophy pays off. What was once a two-man business, founded by his father Adolf Würth, has turned into the Würth Group, a global market leader that sells assembly and installation material to 3.6 million customers worldwide. Prof. Würth, who took over his father’s business at the age of 19, shared a simple mantra for success with his →



Screws and bolts are always in demand



Würth partners with builders and technicians across Europe



Jochen Höschle (l), Head of Distribution & Services at Adolf Würth GmbH & Co. KG, and Marc-Oliver Bohlender, branch manager of Dachser Öhringen

Directly to the store thanks to intelligent logistics



employees: “The term ‘customer service’ combines the customer with the willingness to serve and perform.” This is an essential part of the Würth corporate culture, which is characterized by predictability and reliability as well as mutual respect.

For a company with a range of over 125,000 products, a customer promise of this nature always presents a particular challenge for logistics, especially when it involves combining deliveries from different distribution points. This approach tries to ensure as far as possible that the customer does not have to wait for individual shipments coming from different directions, with different transport service providers, and on different dates.

Direct shipments to all of Europe

The solution: direct delivery from the central warehouse in Künzelsau to customers across Europe. Jochen Höschle, in charge of the supply chain for Adolf Würth GmbH & Co. KG, explains the concept: “From the warehouse in Künzelsau, we serve customers from 23 country organizations in the north, south, east, and west of Europe. For this demanding process to run efficiently and cost-effectively, we need a high-performance, reliable, and flexible partner. And we’ve found that in Dachser.”

The cooperation between Würth and Dachser began in 2006 and both partners have been gradually expanding it since 2009. “There was chemistry right from the start. Both family-owned businesses are based on a similar set of values with a clear focus on quality and customers,” says Marc-Oliver Bohlender, Dachser branch manager in Öhringen. Dachser handles the transportation of palletized shipments in certain regions of Germany and to selected European countries for Würth. Every day, some 50,000 packages leave Würth’s central warehouse—that’s 75 to 80 swap bodies per day only for direct delivery to customers across Europe, and those numbers are on the rise. Tonnage growth recently amounted to 9 percent. Würth also keeps turning to Dachser to handle shipments of dangerous goods.

Bohlender explains that over the past ten years, Würth and Dachser have worked closely together and have made great strides in many innovations, such as in shipment tracing or in groupage structures for direct connections to customers of the individual Würth companies. Dachser has also partnered with them on drop shipping for many years, which connects suppliers with Würth Logistics.

Würth presents a variety of logistical challenges. Höschle elaborates: “Country A might require the full delivery service, while country B needs only products from a certain sales branch, and country C needs ‘only’ slow-moving products. Everything has to be individually tailored to the needs of each European market. The customers as well as the Würth country organizations also benefited from direct deliveries from Germany. It lets us cut costs in logistics processes and frees up storage capacity at the country



New location in Künzelsau-Gaisbach

organizations for their future growth by reducing the amount of stock they keep on hand.”

Everything has to come together

To illustrate the potential that results from this type of integrated logistics service, Bohlender gives the example of a Würth customer from Austria: on a Monday, a medium-sized automotive supplier places an order with Würth for four different items—screws, various mounting elements, and tools. “So now, one of the challenges for Würth in Künzelsau is to combine four individual deliveries from four distribution points,” Bohlender says. “Dachser makes one of these deliveries and a delivery service makes the other three. Together, we want to make sure the customer receives all their deliveries the next day.”

To do that, Würth and Dachser have set up an ingenious time management system: “A high percentage of our internal picking and forwarding at Dachser Öhringen takes place on the day the order is placed,” Höschle says. “This is how we make sure that the shipments arrive at Dachser Öhringen on time and that the goods are forwarded on the same day, in this case to Hörsching near Linz in Austria. If the shipment arrives at Dachser in Austria early the next morning, nothing stands in the way of it being immediately delivered to the customer.”

Setting up ideal processes

Würth and Dachser are continuously improving these model processes. “Some of our numerous distribution points are still out of sync, and are located not only in Künzelsau, but in external warehouses up to 80 kilometers away,” Höschle says. The requirement of making sure everything is provided on time and on schedule is a challenge for separating or consolidating the material flow and for

well-organized factory traffic. In addition, the companies always keep an eye on the roads to avoid traffic jams wherever possible or make detours. Central, automated order receipt with the highest data quality is also crucial for optimum shipment management.

A team of experts from Dachser Öhringen and Würth are working together on topics like these. “Be it a distribution point or transport control center at Würth, scheduling or tracking & tracing at Dachser—everything is connected to everything else,” Höschle says.

To reduce the separation of shipments even further and simplify processes, Würth is currently building a new logistics center in Waldenburg—the central external warehouse is located near the A6 highway and, with 46,300 square meters of storage and over 60 gates, it’s about the size of 6.5 soccer fields. The first shipments were sent from there at the end of November this year. Würth also intends to relocate the handling of its “special procurement” and returns to the hub in mid-2020. And with that, Höschle is pleased to report that “the course has been set for state-of-the-art processing.”

M. Schick

Screws hold today's world together. Just a single car contains far more than 1,000 screws on average. In an Airbus A 380, some 19,000 screws connect the three main parts of the aircraft fuselage, while another 4,000 ensure that the wings are perfectly positioned.

PROFILE

Adolf Würth GmbH & Co. KG in Künzelsau, Germany, is a leading supplier of assembly and installation material. The company, which is part of the international Würth Group, employs more than 7,000 people and generated sales of EUR 1.98 billion in financial year 2018 (including intragroup sales).

www.wuerth.com



The fleet manager really understands
the world of the drivers

OPPORTUNITIES
IN LOGISTICS

THE ONE WHO LOOKS AFTER EVERYTHING

It was coincidence that Mihriban Stehle ended up at Dachser; but after her part-time job, the educational science and sociology graduate made a career for herself at the family-owned company. She now works as a fleet manager in food logistics at the Kornwestheim branch.

Mihriban Stehle always wanted a job where she could work closely with other people—which is why she studied educational science and sociology. But instead of a job in teaching or counseling, the intelligent young woman ended up at Dachser. Fate also had something to do with it: “I was looking for a part-time job during my studies, so I did the old-school thing of going to the job center, and that’s where I saw a pinboard with an ad for a job at Dachser in my hometown of Kornwestheim. That’s how I started working in the initial processing department, where the drivers working for Dachser submit their pickup papers,” Stehle says. She did that for a few years until she graduated. After that, she was offered several other job opportunities, but she

stuck with Dachser because she “just felt comfortable there.” She started out in long-distance dispatching and soon became team leader. Two years ago, she wanted a change and was offered the newly created position of fleet manager for food logistics at Dachser Kornwestheim.

Finding solutions

Thanks to her social skills, the fleet manager rarely has any trouble asserting herself. “My drivers always say: ‘Ms. Stehle looks after everything.’ I’m the link between the subcontractors, the drivers, and Dachser.” This role gives her a wide variety of responsibilities. Generally speaking, fleet management supports other departments in their dealings with independent transportation companies and

their drivers who work for Dachser, helping them out with various vehicle and driver issues. One minute she's taking care of the recruitment and training of new drivers, as she did recently in an initiative for refugees and the unemployed in cooperation with Germany's Federal Employment Agency. The next she's holding talks with transportation companies driving on behalf of Dachser to discuss problems and find solutions together. The focus here is also on continuously improving the collaboration between the customers and the drivers.

In the morning, Stehle does a tour of the terminals, speaking with employees and sniffing out possible problems. Some days she also accompanies drivers on their delivery runs to get a picture for herself of concerns and difficulties, such as long waiting times or difficulties following the paper procedure.

The direct link

"I treat my drivers as equals. This makes them feel part of the team," the fleet manager reports. She adds that this is very important today, since it is becoming more and more difficult to find truck drivers. Stehle, who has Turkish roots herself, is responsible for people from different countries such as Russia, Romania, Turkey, Albania, Greece, and Germany. Cultural differences and certain language problems mean that teaching skills are also required—and that's where her educational science background comes in handy. "The drivers put a face to Dachser for our customers, so the quality has to shine through," she says.

This goes for both appearance and delivery— especially given the sensitive nature of the food sector. "Cleanliness and hygiene guidelines have to be followed meticulously. We provide training to ensure that drivers are familiar with the cooling unit, for example, and that they always have a probe thermometer with them so they can check that the correct temperature is maintained." Eating and drinking are

prohibited in sensitive areas, and goods must be packaged correctly, as "nobody wants onion-flavored chocolate."

We believe in mutual respect

Stehle is always there to help should there be a problem with a customer. "I'm the one who looks after everything, and I act as a mouthpiece for my drivers. I try to solve the drivers' problems, or at least help them with them." This is one of the reasons why the drivers have so much respect for the understanding, but sometimes unbending, fleet manager. And vice versa, as Stehle tells us: "I take my hat off to the drivers for how they respond to the high volume of traffic and time pressure. They're always on the road, independently responsible for the trucks and their freight. They're a poster child for the whole industry."

This makes it all the more important to integrate and motivate the drivers in the future. Stehle and the Dachser branch in Kornwestheim have come up with a few special initiatives to show their appreciation: drivers receive fruit baskets twice a week and a drivers' breakfast from time to time. Everyone gets a "party favor" at Christmas filled with small presents to celebrate the holiday season. It's the little things that make a difference.

L. Becker

Fleet managers are the point of contact for all drivers at a branch. Their tasks include recording the quality of driver activities such as their scanning rate, delivery rate, and performance, and—if needed—helping drivers with new processes or providing additional training. They are also responsible for the training of professional drivers and directly supervise the trainees, plan and manage their training course, and track the success of the training.



Mihriban Stehle has found her dream job



Always on hand to advise and assist



Inside the data center
at Dachser Head Office

THE POWER OF DATA

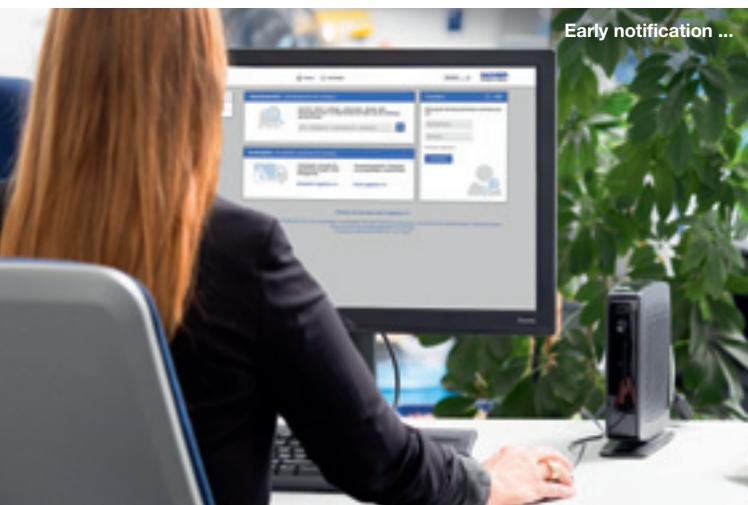
Faster and better data ultimately benefits the entire supply chain. How to make goods and information flows more predictable, efficient, and sustainable in times of scarce resources.

The logistics industry recognized decades ago, not only that it needed to provide information to accompany the flow of goods, but that this information was almost as important as the goods themselves. When will the shipment arrive? Are there any delays in the supply chain? How do external influences impact transit time? To provide answers to these customer questions and increase supply chain transparency, tracking & tracing, supply chain event management, and other IT systems are often employed.

For the logistics providers' part, core systems for transport management paired with special planning tools provide the dispatchers with the information they need. But one thing that's still true today is that the dispatchers' personal experience, own expertise, and reliable contacts play a key role in the day-to-day planning of deliveries and collections.

Taking planning certainty and precision to the next level

For years now, logistics has been optimizing its processes and increasing its efficiency to an extent that is unparalleled in most other industries. "But as things stand, this approach no longer lends itself to overcoming challenges like shortages of drivers and loading space, pronounced seasonal peaks, restricted access to city centers, and increasing demands for sustainability," says Michael Schilling, COO Road Logistics at Dachser. He calls for senders and logistics providers to "work together to bring an unprecedented level of planning certainty, efficiency, and, above all, precision to logistics." And in light of the weakening economy, which inevitably puts increasing pressure on efficiency and costs, he sees no better time to act than now. "To ensure a reliable flow of goods and uninterrupted supply chains, Industry 4.0 needs Logistics 4.0, and vice versa. After the →



Early notification ...



... is the key to more efficient process

Data security is a fundamental part of data quality, which is why Dachser has certified its IT systems according to ISO 27001—and was one of the first logistics providers to do so. As part of its central data management system, the company hosts all of its customer data in its own in-house data centers, rather than renting server capacity from third-party providers. It operates parallel data centers to ensure the highest levels of reliability and fail-safe security.

severe shortfall in resources we experienced in the fall season of 2017, everyone is now much more aware of the problem and has a better understanding of it,” Schilling explains.

Accurate quantity planning and control

The key to accurate quantity planning and control lies at the very beginning of the logistics process chain—in the shipment data that the sender transmits to their logistics partner: in the future, this data will have to be made available in fully digital form and also at an earlier stage of the chain than before. Dachser offers a range of flexible options for connecting to the relevant interfaces (e.g., EDI, API) to make this data transfer as straightforward as possible.

One goal in this regard is to have this data be available the day prior to forwarding. This would trigger a notification that would make it possible to create a scheduling forecast. In turn, this would increase efficiency in all the downstream processes in the groupage network—from procuring load capacity all the way to final delivery. In times of growing uncertainty and scarce resources, such planning data is a key factor. Earlier availability of such data would also pave the way for AI and predictive analytics applications in the future.

The new standard: Notification on the day before forwarding

“If notification on the day before were made standard practice, it would allow companies and logistics providers to harness a great deal of untapped efficiency and sustainability potential,” Schilling emphasizes. He goes on to name some figures: at Dachser, notification is sent on the day before pickup for around 20 percent of industrial goods shipments in Europe. In food logistics, this figure is already as high as 67 percent—but even here there is still considerable room for improvement. “We’re making it our mission to ensure that at Dachser, notification on the day before forwarding becomes standard practice for overland transport in Europe,” Schilling says.

Investment in IT

To prepare for the market’s growing requirements profile, Dachser is investing in its scheduling systems and, as part of the Idea2net Short Distance 2.0 project, systematically orienting their functionalities toward the processing of early planning data. Following a comprehensive overhaul of its scheduling software tools, the company already rolled some out in 2019. More large-scale developments are set to follow in 2020 and beyond.

The aim is to expand, automate, and simplify data-driven scheduling. This way, the inbound branch receives information about when incoming goods are expected from the delivering branch in the late afternoon as opposed to midnight, as was the case before. The software generates an advance, provisional schedule at the push of a button, which the dispatcher can then optimize. An application that provides information about opening hours, delivery conditions, and delivery restrictions is also linked to the scheduling tool. Starting in 2020, Dachser will introduce state-of-the-art handheld devices for drivers, which will further accelerate data collection and transfer. As a result, drivers will also become part of the information and planning process.

Full planning transparency in the supply chain

However, notifications are only one part of the equation. “If we want to increase planning transparency and efficiency, logistics providers and customers also need to work on the quality of data. After all, you can’t expect digitalized systems to generate optimum results if the data you feed them is incomplete or contains errors,” Schilling explains. He says that there needs to be a supply chain that can be planned in every aspect and that makes the best use of the resources available to maximize efficiency and sustainability: “Faster and better data ultimately benefits the entire supply chain.”

M. Gelink



FACE-TO-FACE

Latent potential

How does better-quality data benefit day-to-day logistics operations?

Interview with Robin Köhler, Department Head Quality & Process Integration at Dachser

Mr. Köhler, as processes become more digitized and automated, planners are increasingly focusing on data.

How will that benefit day-to-day logistics operations?

Robin Köhler: A functioning exchange of data is fundamental to the flow of goods and one of the basic necessities of today's logistics. However, data quality has often been neglected in everyday logistics activities. In some cases, the experience and knowledge of standard routines that scheduling staff and drivers have is enough to deal with ambiguities in data—when it comes to actual parking space requirements or delivery addresses and the associated delivery times, for example. But against the backdrop of increasingly complex processes and extremely stringent transport efficiency requirements, in the future this will no longer suffice. The planning algorithm takes all the data provided at face value and makes logical decisions based on this input—improvisation will no longer be a viable solution.

In that case, what do you need from the data?

Our dangerous goods division is leading the way here. In this area of the business, for a long time we've needed to know exactly which substances we're handling, which goods can be transported together, and—just as importantly—which cannot. The applicable regulations and laws together with safety requirements and the shortage of loading space form a tight framework for such transports. As it's been this way for many years, everyone involved in the associated chain of duties has become aware of the importance of correct data. To schedule our operations appropriately and responsibly, we therefore need transparent data that leaves no room for interpretation.

How will you achieve this?

First, we have to ask the right questions. This starts with the master data. What do we know about the customer and how they're set up? What are their delivery and collection times, and do they have any access restrictions, for example. And does the customer actually know what exactly they are sending where and what's connected with the address data? International addresses are particularly susceptible to errors, as spellings within Europe sometimes differ considerably from country to country. First and foremost, we depend on the integrity of the data from our customers' upstream systems,

which we mainly receive via EDI or eLogistics. We aggregate all the relevant master data into a single, central data set that our applications can access. Through the ongoing and increasingly automated measures we're implementing to validate our existing data, we're gradually increasing the quality of the master data. In many cases, we can cross-reference transaction data with our master data to iron out any inconsistencies, which ultimately gives us data records with no room for misinterpretation.

Where do you see the long-term advantages of early, complete, and correct planning data?

The earlier we receive shipment data and the better its quality, the greater the benefit for senders and logistics providers in terms of securing capacity and flexibility. At the same time, we increase their ability to respond to challenging market situations. Logistics providers cannot single-handedly compensate for volatility in the market and the associated risks. So the logical solution is for the sender to supply the delivery data on the day before—something that is set to become increasingly standard practice in the future. Complete and correct data enables us to schedule the trucks and plan their routes at a high level and with as much automation as possible, as well as optimize loading bay capacities—if we can ensure the right vehicle is at the right bay at the right time. Last but not least, it helps us optimize use of loading space, so we can avoid unnecessary transports. And that remains the most effective way of cutting CO₂ emissions in logistics.





Full steam ahead for more sustainable shipping

Sea transportation and nature

CLEANING UP THE HIGH SEAS

In January 2020, new environmental guidelines issued by the International Maritime Organization will take effect for global shipping traffic.

According to IMO 2020 regulations, from then on ships will be required to reduce their emissions of sulfur oxides by 85 percent. This applies worldwide to all fuels used on the open sea. As international sea transportation generates about one billion metric tons of carbon dioxide each year and is responsible for 3 percent of all fine particulate matter created by human activity, IMO 2020 is an important step towards achieving a better ecological balance sheet for the industry.

As a logistics provider, Dachser does not operate its own ships, but works with major shipping lines like Maersk, Hapag Lloyd, and others. "We, too, are interested

in finding the most sustainable way to handle our transports," says Rolf Mertins, Head of Global Management Ocean at Dachser. "At the same time, we want to offer our customers scheduling reliability."

Based on collaboration with partner carriers, Dachser has now developed its own fuel cost model, the Dachser Bunker Adjustment Reference Floater (DBAF). Replacing the Standard Bunker Factor (SBF) on mid- and long-term transactions, the DBAF is calculated based on the fuel prices of all relevant trades. Mertins: "On this basis, we can calculate customers' fuel-related costs irrespective of the carrier option."



The Thailand team unveils the very first Dachser trucks to be introduced in the country. Now the logistics provider can offer its Air & Sea Logistics customers a comprehensive, integrated solution from a single source.



Opening ceremony for the new offices in Nanjing

+++ GROWTH IN NANJING +++ Dachser has moved into new offices in Nanjing's North China Business Area in order to further expand its range of services in Air & Sea Logistics. "Together with other branches in northern China, we intend to offer our customers high-quality services, strengthening the growing Nanjing market and the market in neighboring cities such as Changzhou and Wuhu," explains Yves Larquemin, Managing Director Air & Sea Logistics Far East North. **+++**

+++ DACHSER AIR & SEA LOGISTICS CERTIFIED FOR PHARMACEUTICAL SHIPMENTS ON THREE CONTINENTS +++ Following Frankfurt, Mumbai, and Hyderabad, Atlanta is now Dachser's fourth location to receive certification in ten months, further expanding the company's network services for its customers in the life science and healthcare sector. Certification of the Atlanta branch in the US marks a further milestone in Dachser's expansion of its global network for its Life Science & Healthcare Business Field Solution. In late 2018, Dachser obtained the Center of Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma) certification from IATA for its Frankfurt airport branch, followed by its Indian branches in Mumbai and Hyderabad in mid-2019. "Our locations in Germany, India, and the US enable us to serve our customers in the life science and healthcare sectors in the key regions around the world," says Timo Stroh, Head of Global Air Freight at Dachser. **+++**



+++ 20 YEARS OF DACHSER HUNGARY +++ In mid-September, the Hungarian country organization Liegl & Dachser celebrated its 20th anniversary. Over the past 20 years, the company has become a major hub in Dachser's European and global network and currently has 389 employees at nine locations. "Whichever figures you look at—be it sales, profit, or warehouse capacity—we are among the top players in these categories in Hungary," says Roman Stoličný, Country Manager Liegl & Dachser. **+++**



Alfred Miller, Managing Director, Dachser Food Logistics, and Peter Haveneth, Managing Director at Bring Frigo AB (from left)

+++ STRENGTHENING THE EUROPEAN FOOD NETWORK IN NORTHERN EUROPE +++

Swedish food logistics company Bring Frigo has become a new partner in the European Food Network. As the leading provider of temperature-controlled transports in Scandinavia, the company offers even closer connections to Sweden,

Norway, and Finland. "The European Food Network is the first choice for food logistics in Europe, and Bring Frigo is an ideal addition," says Alfred Miller, Managing Director Dachser Food Logistics. The BRC-certified company is based in Helsingborg, Sweden, has 16 locations, and manages a fleet of some 800 vehicles classified for food transport. **+++**



The legendary statue of Christ the Redeemer watches over Rio de Janeiro from the top of Corcovado hill

A BROADER HORIZON

As the largest economy in Latin America, Brazil sets the pace for the whole region. Dachser has maintained its own country organization here for ten years now, building bridges to markets around the world.

His ships having strayed off course, Portuguese maritime explorer Pedro Álvares Cabral discovered what he thought was an island on April 22, 1500. He named it Ilha de Vera Cruz (Island of the True Cross) and claimed it for the Portuguese crown. When his government discovered the extent of this discovered territory, →



João Paulo Caldana,
Managing Director
Dachser Brazil



“We rely on complete solutions. In doing so, we focus on processes, integration, and standards

With over 60 million hectares (roughly 150 million acres) of arable land—an area about twice the size of Germany—Brazil is one of the most important agricultural countries in the world. In 2018, it was the world's largest producer of coffee, sugar-cane, and orange juice as well as the largest exporter of chicken, beef, and soy. Brazil is also a major player in wood and cellulose production.

they quickly renamed it Terra de Santa Cruz (Land of the Holy Cross). At the time, no one in the old world had the slightest notion of how vast the area really was. From the lush rainforests of the Amazon basin in the north, it stretches some 4,400 kilometers to the highlands and mountains of the south.

The name Terra de Santa Cruz eventually gave way to Brazil, borrowed from the land's first export, brazilwood, which is used in making dyes and furniture. Today, Brazil is the world's fifth-largest country by area and the ninth-largest economy—and a market of the future. Its population of over 200 million lives predominantly in the north and southeast. In 2000, Brazilians celebrated 500 years since Cabral's discovery: half a millennium of rich, epic history that ultimately led to the country's inclusion in the group of hopeful emerging nations, namely, the BRIC countries. All of them are names with great resonance for the future of the global economy: Brazil, Russia, India, and China.

One year prior to the 500th anniversary, Dachser entered into a joint venture with a local logistics provider to establish a foothold in Brazil. Its plan then was to further expand

its network in the rising economic star. All signs were favorable: international interest was steadily growing in Brazil's large domestic market, its solid mix of manufacturing, services, and raw materials corporations, its huge amounts of natural resources, and its virtually inexhaustible agricultural potential. The economy was focusing more and more on international trade and shipping.

The challenging years

Dachser fully took over the joint venture in 2009, the same year that Brazil's GDP grew 7 percent on the previous year. The country experienced a true economic miracle, with the middle class nearly doubling in size from 67 to 112 million people between 2003 and 2013.

Yet this boom was not without its problems: productivity couldn't keep up with growth, and plunging prices for raw materials such as iron ore or soybeans triggered a negative chain reaction. In July 2015, inflation increased 9.56 percent compared to the same month of the previous year. The key interest rate was pushed up, and was 14.25 percent at the start of 2016. As a result, companies couldn't pay back their loans and the economy weakened further. Add to this mix drastic cutbacks by the government, which in the midst of these economic straits had to finance major sporting events such as the FIFA World Cup (2014) and the Olympic Games (2016).

All this hit the new middle class particularly hard. In addition, average income fell 16 percent within three years. GDP declined in 2015 and 2016, and social problems multiplied. Brazil was singing the blues.

Trend reversal

But the country's fortunes bounced back in 2017, with growth rates rising to 1.1 and 1.2 percent in 2017 and 2018, respectively. Analysts expect these to continue to increase, with a 2.5 percent annual average growth up through 2023.

Even under these changeable conditions, Dachser Brazil has successfully held its own over the past decade in South America's largest country. Dachser CEO Bernhard Simon recently reminisced about the country organization's beginnings at its 10-year anniversary celebrations: “When we founded Dachser Brazil in 2009, there was uncertainty everywhere about how the global markets, currency systems, and trade relations would develop. And what if



Dachser CEO Bernhard Simon
at the 10-year anniversary celebrations



Octávio Frias de Oliveira Bridge,
known as Ponte Estaiada, in São Paulo

there was a huge crash? But we don't deal in fair-weather strategies. They also have to hold up when sailing through stormy seas. And our strategy has held up and steered us safely through turbulent times. We have made Brazil an integral part of our network, a network that stands for intelligent logistics and fully integrated control of the entire supply chain. Brazil has become part of our culture and our family."

Within the global Dachser network, the country organization is a key pillar of the Americas region. "It was worth developing Brazil into an essential node in our global network. It has made that network much more robust and improved its performance," Simon explains.

Last year, Dachser Brazil increased its revenue by 18.5 percent to BRL 324.4 million, or just about USD 79 million. Some 200 employees at 8 locations, including São Paulo, Santos, and Rio de Janeiro, transported 23,200 shipments with a tonnage of 18,300 metric tons for customers in 2018.

Dachser also has a presence at Brazil's most important cargo handling terminals—in Santos, for example, the country's largest port. Or in the state of São Paulo, where the city of Guarulhos boasts a connection from Brazil's most important cargo airport to the road that leads to Rio de Janeiro. As a result, Dachser Brazil is excellently positioned for exports. China is Brazil's largest export market, accounting for roughly 27 percent, ahead of the EU (some 18 percent) and the US (about 12 percent). Primary exports include soybean products, meat, sugar, and iron ore. In 2018, the largest proportion of Brazil's imports came from China (19.2 percent), ahead of the EU (19.18 percent), the US, and Argentina.

Expanding the infrastructure

As for overland transport, more than 60 percent of Brazil's freight transports go by road. According to the National Transport Confederation (CNT), Brazil's highway network stretches for 1.5 million kilometers, although only 11 percent of them are paved. A little over 20 percent of goods are shipped by rail, although the government has announced it wants to increase that figure significantly in the coming years. Plans call for the allocation of some USD 15 billion to expanding or building four railway lines: North-South (São Paulo-Tocantins), Ferrogrão (Mato Grosso), FIOL (Bahia), and FICO (Central-West). This would fundamentally improve logistics in Brazil. And thanks to investment by international airport operators, the airports in Porto Alegre, Fortaleza, Salvador, and Florianópolis have also seen positive development over the past few years.

"We have closely integrated our air and sea organization, taking a systematic and intelligent approach," says João Paulo Caldana, Managing Director Dachser Brazil. "In doing so, we focus on processes, integration, and standards." He adds that Dachser is replacing all isolated solutions around the world that do not add sustainable value with its Othello transport management system, developed in-house. "This means we can record our global shipments almost completely in our fully integrated systems. The Othello rollout in Brazil will finish in 2020," Caldana says. He goes on to explain that integrated logistics marks a new, high level of logistics. "It opens up new horizons for customers and service providers alike. A small-scale operation can thus suddenly turn into something truly great." A statement that would likely have delighted Pedro Álvares Cabral.

K. Fink

PROFILE



Federative Republic of Brazil

Area: 8.5 million km²
(47% of the area of South America)

Population:
210 million

Capital:
Brasília

Official language:
Portuguese

Currency:
Brazilian real (BRL)

GDP:
USD 2.138 billion
(2018)

RESPONSIBILITY

Companies as corporate citizens: Excerpts from a speech by DACHSER CEO Bernhard Simon to the non-profit student initiative Enactus in Wuppertal, Germany.



AND OBLIGATION

Do entrepreneurs have a special responsibility to society? In view of the major challenges posed by climate change, population growth, globalization, and digitalization, this is a question that is increasingly being asked. But is this really the right question to be asking? I think it would be better to talk about our social obligation as entrepreneurs.

With ownership comes not privilege, but obligation. In fact, entrepreneurs, with the range of possibilities at their disposal, have a real obligation to engage in social discourse. Especially in societies that are drifting further apart, entrepreneurs have an obligation to play a balancing role in order to ensure stable societies in the long term. In that sense, companies can be seen as corporate citizens.

The world has become a confusing place. In many places there are great uncertainties, about right and wrong, and about where we should be moving as a society. A company is a place where many people come together and often spend a large part of their day. This also means that a company can be successful only if it provides its employees with a sense of orientation and formulates strategies that make sense and create identity. This can be achieved if the entrepreneurs behind the company always set out to ensure with their entrepreneurial activities that the world of tomorrow will still be a world in which we can do business because we're living in it peacefully in harmony and the environment is intact.

Values create identity

If you want to consciously manage a company in this way, you first have to be clear about what the actual values are by which a company should be managed. Values that give us identity and that consequently also give the company identity.

It is this values-based company identity that corporate strategies are derived from. In all the strategic considerations we make, it's important to ask whether they correspond to or contradict the identity we have defined together. Our set of values is thus the basis for the company's code of conduct and for a binding compliance system. Especially in the world in which we operate today, both of these are indispensable instruments for navigating a company safely through turbulent times and for never losing sight of the goal.

Investing in young people

This goes hand in hand with a special entrepreneurial obligation to take young people as they are and to foster

their curiosity about what professional life has to offer them—something they may not have experienced from home, school, or society. Companies are called upon here to invest in the development of young people, and we are happy to do so.

The same goes for the integration of migrants, who have now become an integral part of industrial societies that are conditioned to strive for economic growth and at the same time affected by demographic change. In view of today's migration flows, entrepreneurs who want to operate in a stable society must play their part in integrating all of these people into the working world and thus into the center of society. This is much more difficult than politicians ever imagined. But in many cases there is clear evidence that making the necessary efforts is possible and indeed valuable.

An obligation to the environment

Another of a company's obligations concerns its environmental policy. Treating the environment with respect should never be a marketing measure. Rather, it must be about continuous improvement, not about any individual lighthouse projects boasting leading-edge technology, which cannot then be transferred to the company as a whole, but are merely implemented in order to create a positive public image.

The same applies to corporate social responsibility: CSR is not a marketing tool and it is not a way of achieving redemption from corporate sin. Entrepreneurs involved in development aid projects must be careful not to come across as the "rich uncle" or the "know-it-all" from the so-called developed, "better" world.

Instead, they should respect the dignity of people all over the world and their right to self-determination. The local people know the personal lives they live in their cultural context much better than someone who comes from →



Bernhard Simon,
Dachser CEO, believes
companies and company
owners also have
an obligation to society

the outside. In other words, they are simply better at it. Even in the remotest and poorest villages of the world, I have always met great people. It is important to treat them as equals. Only then are we ready to give something.

What can we do, specifically? We can show interest, listen, understand, and be partners. We should be interested in who the local people are who want to make a change and who make that little difference in whatever village structure the people are living in. It's about getting to know them and understanding how they work in the structures of the local societies—without messing these structures up.

Lifelong learning

What we have achieved is encouraging. After 14 years, we can now take stock of the close cooperation between Dachser, terre des hommes, and a network of NGOs in India: more than 18,000 children who were no longer in regular schooling have been in receipt of learning opportunities to enable them to return to regular schooling. Leaving school early, which used to be commonplace, has been reduced by 90 percent. Some 5,400 young people have

continued their education in vocational training centers in order to independently earn an extra income to help their family. Almost 32,000 children have been informed about their rights to live a life free of violence, child labor, and sexual exploitation. In particular, we've given 7,800 girls a focus on their own self-determination. And what is particularly pleasing is that 7,000 children are now committed to children's rights themselves and are convincing others that it is worth taking a stand to defend their rights. Some 4,000 children have taken part in environmental workshops and almost 50,000 trees have been planted.

This gives me a clear mandate: as entrepreneurs, we have an obligation to take an interest in people in this irrevocably globalized world. Everything is connected to everything else. This helps us as entrepreneurs develop our businesses and at the same time it helps us be at home in all the world's markets. In this way, an obligation gives rise to a perspective—for a world worth living in tomorrow, a world in which we work happily and well, in which we live together, and in which we can give tomorrow's generations a future.

2019 IMD Global Family Business Award

“ONE OF THE MOST SUSTAINABLE FAMILY BUSINESSES ANYWHERE IN THE WORLD”

The IMD Business School has honored Dachser with the prestigious Global Family Business Award.

Strong values, sustainable growth, a worldwide sphere of activity, a conscious focus on innovation, and in-house initiatives for economic, ecological, and social sustainability: these are the criteria according to which the Lausanne-based IMD Business School has been giving the prestigious Global Family Business Award to large, globally active, multigenerational family businesses since 1996. This year, Bernhard Simon, CEO Dachser SE, and Birgit Kastner-Simon, Corporate Director Corporate Marketing, were honored to accept the award for Dachser at the annual conference of Family Business Network International in October in Udaipur, India.

“Dachser is an outstanding family enterprise that has successfully adopted a comprehensive governance system balancing the influences of the family and the firm,” says IMD President Jean-François Manzoni. “Its success is founded on three generations of family owners who have built up one of the most sustainable family businesses anywhere in the world.”



(l-r) Prof. Peter Vogel, Director of IMD Global Family Business Center; Marta Widz, IMD Research Fellow; Bernhard Simon, CEO Dachser SE; Birgit Kastner-Simon, Corporate Director Corporate Marketing, Dachser SE; Prof. Benoit Leleux, IMD Global Family Business Award Director; Matthew Crudgington, Associate Director, IMD Global Family Business Center

“Quality is always delivered by people. That's why it is always our goal to keep global growth in harmony with the values and specific human dimension of being a family-owned company,” explained Bernhard Simon. “The IMD Global Family Business Award confirms that we are on the right track.”

“KEMPTEN WIMMELT”

A new search-and-find book for children and adults aged 2–99 years old presents the hustle and bustle of Kempten. Detailed, comic-style pictures share heartfelt and humorous tales of the everyday, stories both big and small. Over 200 people from Kempten, including several Dachser employees, had their pictures taken for the book and were drawn into the crowds. And that’s why one of the nine double-page spreads is devoted entirely to the lively hive of activity surrounding the Dachser Head Office.



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