Digitisation as the “Wind of Change”

“NOX the Robot” is a symbol for the digital transformation

This year, around 3,200 participants will have the opportunity to listen to roughly 120 speakers during the 65 hours of the conference programme. With its presentations, the parallel exhibition and the accompanying programme, the conference acts as a marketplace for logistics and supply chain management themes in industry, the trade sector and logistics services. It is also a forum for IT services, consulting and logistics properties. Urban logistics will play a central role in proceedings, and new business models will provide a new perspective on older models. Science and education also have their place at the conference, as do human resources, brand strategies and change management. Trips to company locations in and around Berlin enable attendees to gain more “hands-on” insights. During the conference, BVL will present the German Award for SCM, the most important and most prestigious award in the logistics sector. In addition, young scientists will be vying for the Science Award for SCM, and students or young professionals who have received the Thesis Award for their theses and dissertations will be presenting their ideas at the Thesis Conference. You can find further daily updated information on the Internet.

www.bvl.de/issc

The year is still young, but quite a lot has already happened in the world of logistics and at BVL. The first events have already been successfully staged. The biggest of these was without doubt the Forum Automotive Logistics, staged this year in cooperation with the German Association of the Automotive Industry (VDA) for the fourth time. Over 400 participants used the forum as an opportunity to listen to exciting presentations by well-known speakers and to interact with colleagues.

Our head office in Bremen has also received multiple visits, and we were delighted to welcome guests from Korea, Luxembourg and Russia. Our Chapters and Representatives around the world have also sent in reports on their wide-ranging activities. You can read all about them and many other topics in this first issue of the LOG.letter in 2016.

The next big date this year is Supply Chain Day on April 21, 2016. Preparations for the day of action are already in full swing, and approximately 300 events have already been announced to date, not only in Germany, but also in Austria, the Czech Republic, Finland, France, Hong Kong, Hungary, Italy, Luxembourg, Switzerland, Turkey and the Ukraine. New events are being added to the programme daily, and BVL welcomes everyone who would still like to organise an event. Make the most of this opportunity to showcase your company, to build contacts and to strengthen your network!

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BVL International – selected events in 2016

Supply Chain Day
April 21, 2016
International

Chairpersons/Representatives
Asia Meeting
June 14, 2016
Shanghai, China

Transport Logistics China 2016
June 14-16, 2016
Shanghai, China

Chairpersons/Representatives
America Meeting
July 29, 2016 (subject to change)

33rd International Supply Chain Conference
October, 19-21, 2016
Berlin, Germany
Learning with and from each other

Forum Automotive Logistics  “In 2015, the German automotive industry produced more than 15 million cars worldwide for the first time, 9 million of them outside Germany. This comprehensive production network is interconnected by a logistics system that is ever more global and increasingly complex. This underlines the key importance of automotive logistics for the success of the automotive industry”, said Matthias Wissmann, President of the German Association of the Automotive Industry (VDA), at the Forum Automotive Logistics in Frankfurt am Main. “The number of crises, disasters, strikes and many other turbulent events did not decrease but increased during the course of the past year, creating new challenges for the logistics experts. Last year, the most critical factor was the strike action by the train drivers in the GDL union. The automotive logisticians mastered this challenge without any production downtime”, added Wissmann.

He said the automotive logisticians themselves are working at high pressure on the further development of the supply chains – and that this is why the theme for the Forum Automotive Logistics was “Supply Chain 4.0”. He sees the biggest challenge as being horizontal digitisation, in other words integration between all partners in the value added chain – from the raw material suppliers through to the producers of the vehicles. “Supply Chain 4.0 also means that all the objects in the supply chain are digitally identifiable and can be localised. From the container ship to the smallest transport container: in future, each element will be able to automatically indicate its position and its status. As a result, logistics managers will be able to control processes with far greater precision and respond even more effectively to disruptions”, said Wissmann.

In his speech, Opel chief Dr. Karl-Thomas Neumann presented innovative logistics solutions and emphasised the importance of logistics for the automotive industry. “Opel has changed gear. We have redefined our corporate culture. Over 36,000 employees in Europe recognise the importance of values like customer orientation, speed and entrepreneurial responsibility. This also applies to our logistics, where we have implemented numerous innovative solutions”, said Neumann.

Looking to the future, Dr. Neumann stressed that “it will not be enough for companies who want to hold their own in the market to simply optimise individual value added chains. Synchronisation of the front-to-end value network offers major potential for optimisation, as it boosts efficiency, transparency and flexibility.” He predicted that many ideas, technologies and initiatives that are being introduced in the automotive industry within the context of Industry 4.0 will also be used in the logistics field. He said his company expects great things from this technological development, but that innovations and the introduction of these innovations must not be a one-way street in the direction of logistics partners and suppliers – and that only through joint efforts would it be possible to exploit the potential for optimisation.

VDA President Wissmann also underlined the European significance of the Forum Automotive Logistics as a conference for logistics in the automotive industry: “420 participants show that VDA and BVL have created an event that is a one of a kind in Europe.” In 2016, the event will be jointly organised by the German Association of the Automotive Industry and Bundesvereinigung Logistik for the fourth time.

Alongside Opel boss Neumann and VDA President Wissmann, a further keynote was held on day one of the forum by Dr. Hansjörg Rodi, Chief Transformation Officer at Schenker AG. Matthias Kässer from McKinsey and Michael ten Hompel from the Fraunhofer Institute for Material Flow and Logistics then talked about the future of supply chain management in the automotive industry. Other topics included digitisation, data quality for logistics, new concepts for transport logistics, and challenges in the global aftermarket.

Day two of the forum featured a keynote by Alexander Koesling, Vice President Supply Chain Management at Mercedes-Benz Cars, as well as two parallel tracks on the risks of global purchasing and on packaging issues. The final session of the event took attendees from the presentation room into the “real world”. The Opel plant in Rüsselsheim, the European Operations Centre of DB Schenker Rail and the Frankfurt-Rödelheim plant of Continental AG all opened their doors for company tours.

www.bvl.de/fal
2015 Report of the Board

» BVL The BVL theme for 2015 – “A World in Motion” – perfectly captured the spirit of the times, to a greater extent than anyone could have foreseen when it was originally adopted. In keeping with the theme, the past year has been extremely intense, diverse and challenging. The latest Report of the Board outlines how BVL responded to the developments, what else happened during the course of the year, and looks at the strategy for the future. It is available as a PDF for downloading from the BVL website. Print versions can be requested via eMail by members and non-members from head office by writing to Katja Ahrens (ahrens@bvl.de) www.bvl.de/en

Logistics sector adopts short-term strategy

» Digitisation the key driver of change processes

Commentary by Prof. Dr.-Ing. Raimund Klinkner, Chairman of the Board, BVL International

The March survey on the Logistics Indicator paints a highly diverse picture: trade and consumer goods producers report good business and excellent prospects. They are investing in logistics systems, with one of the big trading companies alone investing in the order of 800 million euros. The relevant respondents say this is essential to gain a sustainable competitive edge. The responses of the car manufacturers and their suppliers reflect their general ambivalence with regard to current developments. All sectors of industry say that the China and South America business is significantly slower and that business with Russia is still suffering. In terms of volumes and prices, the international exchange of goods remains at a low level. In contrast, Internet trading and consequently all courier, express and parcel services in Germany are breaking one record after another.

Current situation assessments and 12-month expectations among logistics service providers are at their lowest level since the 3rd quarter of 2012. They are almost down at the “normal line” of the Logistics Indicator – a level that in 2012 signalled the start of a six-month slump. The assessment of the current situation in industry and trade was far less positive yet still in the expansive corridor. Expectations for the next 12 months are on the up, a sign that the economic situation will soon become more stable once again. This correlates with the unanimous statements of industry, trade and services on the three-month outlook: they all expect a favourable business trend. This means all surveyed sectors of the economy are more optimistic in the short term than was the case in December 2015, but more pessimistic in the longer term. This is a typical phenomenon whenever business strategies themselves are only “short-term”.

Financial crisis, Greece crisis, Grexit, Brexit and refugee crisis – the series of historically new challenges shows no sign of ending. Uncertainties with regard to tighter border controls in the Schengen area give logistics service providers reason to be cautious, and they expect new – and cost-intensive – challenges and change processes. There are also uncertainties concerning international economic developments and the intensity of the digital transformation. While the intelligent use of technical progress is a strategic challenge that can be mastered by companies, the successful management of external uncertainties is a far less predictable process. What remains, therefore, is a time-proven realisation: namely, that it does not pay to be nervous even in turbulent times; what is needed is the deployment of the tried-and-tested tools and instruments of company management and logistics. These are also challenges that can be mastered if companies work together and stand shoulder to shoulder. www.bvl.de/logistics-indicator

CALA: global knowledge transfer

» Cooperation The third training module of the CALA 4.0 – Corporate Automotive Logistics Academy – staged jointly by BVL Campus and DHL Global Forwarding was held in Pune (India) and Detroit (USA) at the end of last year. The module was headed by Prof. Dr. Kerstin Lange from the HIWL School in Bremen with the support of Dr. Alexander Bode (BVL Seminars) and Dr. Dr. Mario Monsreal (A&M Transportation Institute, Texas). The 40 or so specialists exchanged views on global trends and strategies in the field of automotive logistics. They then joined forces to identify necessary innovations and potential solutions. “Learning alone is out”, is how Volker Oesau, CEO DHL Global Forwarding, describes the mission of CALA. The next module will take place in the first half of 2016 in Germany.

Han Roest, VP Automotive, DHL, Dr. Dr. Mario Monsreal, Texas A&M Transportation Institute and Dr. Alexander Bode, BVL Seminars

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Guests in Bremen

Visit from Moscow
On January 15, 2016, Katja Wiedemann, Head of Member Services, BVL Managing Director Prof. Thomas Wimmer and Uwe Peters, Commercial Managing Director of BVL, welcomed Dmitry Vasilyev from the BVL Moscow Chapter to the head office of BVL in Bremen. The Moscow Chapter was founded in October 2011, and founding member Mirco Nowak is still the Chapter Chairperson today. Dmitry Vasilyev has been Vice Chairperson alongside Kirill Vlasov since September 2015.

Dmitry Vasilyev is Managing Director of the GRIMEX Trade and Logistics GmbH company based in Hamburg and St. Petersburg. During the visit, Mr. Vasilyev, Ms. Wiedemann, Mr. Peters and Prof. Wimmer spoke about the future development of the Chapter and the plans for an event with the Kühne Foundation in Hamburg in cooperation with DVV Media in November of this year. BVL head office would like to thank Dmitry Vasilyev for his visit and looks forward to successful cooperation in years to come.

Visit from Luxembourg
On February 4, 2016, Deputy Prime Minister and Economic Affairs Minister Etienne Schneider paid a two-day visit to Bremen together with a delegation of almost 40 business leaders – following an invitation from former Bremen Mayor Jens Böhmsen during his visit to Luxembourg in February 2015.

The political meetings of Etienne Schneider included a conversation with the new Mayor of Bremen, Dr. Carsten Sieling, and a meeting with Martin Günthner, Bremen’s Senator for Economic Affairs, Employment and Ports.

One of the focal points of the business programme of Schneider’s visit was logistics. He visited and talked to the managers at Europe’s biggest freight transport terminal and also paid a visit to the Bremerhaven port terminal. During the meeting, the Logistics Cluster Luxembourg headed by Malek Zeniti and BVL Managing Director Uwe Peters praised the longstanding cooperation and connections between the two organisations – which found concrete expression in the founding of the BVL Luxembourg Chapter several years ago.

Thanks to a sector-specific programme organised by the joint economics department of the Luxembourg Embassy in Berlin and the Luxembourg Chamber of Commerce, the companies had the opportunity to make new and build on existing contacts. Numerous follow-on projects for future cooperation were discussed and underline the excellent relationship between Bremen and Luxembourg.

Delegation from Korea
On March 11, BVL head office had the honour of welcoming a Korean delegation made up of Mr. Jaeyong Namkung (Director), Mr. Bryan Im (Deputy Director) and Ms. Jeong-Eun Kim (Assistant Director) from the Saemangeum Development and Investment Agency. After a reception in the town hall during their visit to the federal state of Bremen, the Korean delegation insisted on taking a trip to BVL head office to get to know the association’s staff. Prof. Dr. Thomas Wimmer, Chairman of the BVL Executive Board, and Katja Wiedemann, Head of Member Services, welcomed the guests from Korea and outlined the national and international activities of the association. In return, Mr. Im provided an overview of the fast-growing business location of Saemangeum at the heart of Northeast Asia (NEA) with its efficient transport network and many distribution routes.

Katja Wiedemann (left) and Prof. Thomas Wimmer (second from right) welcomed Jeong-Eun Kim (second from left), Bryan Im (middle) and Jaeyong Namkung (right)
This February, the first international BVL event in Canada took place in Toronto, Ontario. Presented in cooperation with SSI Schaefer, the event was focused on the evolution of e-commerce business from single- to multi- to omni-channel business and how Canadian companies can successfully master the challenges this evolution brings into logistics operations. Hosted at the Hilton Airport Hotel in Toronto, the event offered presentations by select industry leaders, the opportunity for a round table discussion to work out future strategies and an evening event. The agenda included, but was not limited to, the following presentations:

- **Omni-Channel Transformation of Specialty Retail Logistics**
  (Nico Weidel, BVL)

- **Dynamic E-Commerce: Operationalising a Seamless Customer Experience**
  (Markus Schmermund, Business Consultancy Group)

- **Omni-Channel... Corporate Buzzword vs. Corporate Buy-In?**
  (Dave Mack, SCI Logistics)

- **Evolution of Online Order Fulfilling – Supplier’s View**
  (Christoph Buchmann, SSI Schaefer)

Throughout the day the presenters shared their different viewpoints on omni-channel development, providing a holistic foundation for a discussion. The main takeaway from the event could be summarised as: the transformation to omni-channel multi-dimensionally influences every entity and process within supply chain back-ends, as well as every involved layer. Driven by the customer, it is on us to change processes, systems and – most importantly – organisational structures, but also manage expectations of customers and c-level executives. While the short-term perspective focuses on implementing integrated IT solutions, the focus will have to shift towards the holistic alignment of organisational structures and optimisation of the newly generated operational processes.

This first successful BVL event provided an outstanding opportunity for discussing this interesting topic with professionals from renowned companies and contributed substantially to further establish a local BVL network of logistics professionals in Canada and in particular the Greater Toronto area.

Written by **Nico Weidel**

Nico Weidel, the BVL Representative for Canada, would like to thank all participants for sharing their knowledge and ideas with our group. A very special thank you to our presenters and SSI Schaefer for their sponsorship — your voluntary help made this event possible. For more information, questions or contact details please reach out directly to Nico Weidel.

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**Collaboration of Korea and Hong Kong Representatives**

Taking up the initiative from the inauguration at 32nd International Supply Chain Conference, the kick-off meeting for BVL’s Korea Representatives took place at the office of Weidmüller Korea in Seoul. The Representatives from Korea, Ms. Won-Gyung Kook and Mr. Young-il Han, both from Media KN Seoul and Mr. Hans-Kristian Harder, BASF Hong Kong, as Deputy of BVL Representative Hong Kong, Dr. Dennis Fanelsa, met for alignment of further collaboration and activities. Further company representatives of Weidmüller and Jungheinrich supported the meeting.

After introducing participants & companies, Mr. Harder explained about BVL International initiative and its approach to interact as an international platform in order to promote awareness of logistics and supply chain.

To support interaction among supply chain managers in various industries, the meeting first discussed the topics and the organisational concept for the first German-Korean Logistics Conference in detail. The event is scheduled to take place on June 9, 2016 in Seoul and incorporate speeches from several supply chain managers; it will also feature an on-site industry tour. In addition, further plans were made for activities during the upcoming International Supply Chain Day 2016. Overall the first meeting in Seoul was a great example for joint collaboration & straightforward support of BVL Representatives in Asia Pacific.
Reports from the international Chapters and Representatives ...

Katowice

On February 23, 2016, a meeting of the BVL International Chapter Katowice was held at the Faculty of Management and Economics of Services at the University of Szczecin. The subject matter of the meeting was the training of staff for the transport, forwarding and logistics (TFL) sector and cooperation between academic institutions as well as other educational establishments and companies in the TFL sector. The meeting was hosted by Professor Piotr Niedzielski, PhD.

The development of the TFL sector in Poland after 1989 was possible in part due to the availability and sufficient number of adequately trained staff, including drivers. Graduates interested in pursuing key professions in this sector received their education before the political and economic transformation – at that time, high-quality vocational education was provided thanks to cooperation between educational institutions and large state-owned establishments. University graduates were also well prepared to carry out their professional duties in the new social and economic conditions. They will gain access to practical knowledge/practitioners and training material prepared by enterprises and used in the training of employees. Moreover, after 1989 foreign investors establishing branches of their companies in Poland were able to employ staff who left the liquidated or restructured state-owned enterprises. After year 2000, the problem of a shortage of staff started to emerge on the labour market and grew in severity over the following years, in particular after Poland’s entry into the European Union. Furthermore, as time passed, many of the educated and experienced employees retired.

Now, in the second decade of the 21st century, we can observe an increasing involvement of employers in cooperation with higher education institutions. One example of this cooperation are the dual studies (combining apprenticeships with formal schooling) at the Poznań School of Logistics, which cooperates with the leaders of the European TFL sector, including Dachser, K+N and Raben.

Entrepreneurs who decide to become involved in training processes hope that:
1. They will gain prepared employees with skills tailored to meet the needs of their company.
2. They will be able to recruit the best graduates who received education within the framework of educational systems.
3. They will be able to recruit students on a part-time basis to make the process of labour utilisation more flexible, to reduce costs and to minimise the costs of recruiting unsuitable employees (in the case of part-time employment, contracts of mandate or paid traineeship financed by an employment agency or the European Union, the costs borne by employers are lower than in the case of, for instance, employment for a three-month probationary period).
4. There will be a stronger link between their involvement in training processes and CSR activities.

Educational institutions in Poland (vocational training schools, higher education institutions) that decide to establish cooperation with enterprises hope that:
1. They will become more competitive vis-à-vis other educational institutions by making it possible for students to quickly achieve employment at attractive conditions.
2. It will reduce the costs of their teaching process as the enterprises with which they will cooperate will take on some of the costs.
3. They will gain access to practical knowledge/practitioners and training material prepared by enterprises and used in the training of employees.

How will companies in the TFL sector gain new employees?

In view of the current demographic situation, higher education institutions and employers in the TFL sector should undertake joint activities. One new way of gaining staff could be to address the educational and recruitment offers to people from such countries as Ukraine, Belarus and other countries of the former USSR which are not members of the European Union but which want to have close ties with the EU. A diploma from a vocational training school or a higher education institution in Poland creates opportunities for young people from these countries. It makes it possible for them to enter the labour markets of the EU member states thanks to minimised barriers (a graduate diploma from an university in an EU member state, Polish, English or German learned during studies in Poland, establishing contacts with the first prospective employer during studies in Poland, minimisation of the costs of settling in, legal employment, etc.).

The meeting was rounded off by:
- A speech by Professor Wojciech Paprocki, PhD, from the Warsaw School of Economics, who reported on the Automotive Logistics Forum 2016, which was held in February 2016 and which was co-organised by BVL.
- A tour of the Logistics Laboratory established at the University of Szczecin with EU funds.
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Reports from the international Chapters and Representatives ...

US Southeast

Dr. Gerald Degen, Vice President Production and Logistics at BMW Manufacturing Co., LLC is the new Vice Chairperson of the BVL US Southeast Chapter. He succeeds Philip Heinrichsdorff from BMW, who performed this role for over two years. We would like to thank Philip Heinrichsdorff for his long-term commitment and now look forward to working together with Gerald Degen. The US Southeast Chapter has already announced plans for the current year. It will be taking part in Supply Chain Day and has already planned two events. The first one will take place in conjunction with the GA Logistics Summit at Gate Gourmet Atlanta Airport Operations on April 20th, 2016. The second event will take place at Caterpillar, Athens facility on April 21 2016.

Discovering the hotspots of logistics

Supply Chain Day Today, the logistics sector plays a hugely important – albeit often invisible – role all over the world. Certain regions are particularly suited to certain logistics functions. These functions are frequently hidden from public view yet are at the same time of major significance for industry and society.

Supply Chain Day on April 21, 2016 offers all interested members of the public the rare opportunity to visit the logistics departments in companies and organisations so that they can see the specific logistics activities that exist in their region. According to a study conducted by the Fraunhofer Working Group for Supply Chain Services, there are a total of 23 logistics regions in Germany with different strengths.

In 2016, BVL International, the initiator of the day of action, expects similar numbers of participants. For visitors, Supply Chain Day is not just an opportunity to obtain information on one of the key success factors behind the German economy but also to find out about career prospects for job starters and lateral entrants. This means that companies who are involved in Supply Chain Day can awaken the interest of sought-after up-and-coming logistics and specialists in a potential career while at the same time raising their profile, thereby underpinning acceptance for their operations, optimising their PR activities and improving their image.

In April of last year, 38,500 people visited over 440 events to find out more about logistics solutions and services – not only in Germany but in at least 19 other countries.

www.supply-chain-day.com

In 2015, Rewe in Neudorf near Vienna showcased food logistics for supermarkets, in particular for the “click-and-collect” concept (photo: Rewe)
Transport Logistic China

**TRANSPORT LOGISTIC CHINA EXPERT FORUMS**

**June 14-16, 2016**

- BVL special-topic forums in Shanghai

Transport logistic China in Shanghai is Asia’s biggest trade fair in the area of logistics, mobility, IT and supply chain management. This year’s fair is scheduled to take place from June 14-16. BVL will also be part of the event with two special-topic forums: the first forum entitled “truck and trailer China” is on June 14, 2016 – day one of the fair – from 1 pm and will address the issue of truck transports in China and the resulting emissions. The second forum with the theme “PeriLog – fresh logistics Asia” will be held on June 15 from 10 am and will focus on cooling chains in Asian food markets. [www.transportlogistic-china.com](http://www.transportlogistic-china.com)

Science meets Industry 4.0

- **ISSL 2016** BVL will stage the eighth International Scientific Symposium on Logistics in Karlsruhe on June 15 and 16. The theme for the event is “Logistics in the Times of the 4th Industrial Revolution – Ideas, Concepts, Scientific Basis”. The concept team who put the programme together includes Professors Werner Delfmann, Kai Furmans, Stefan Minner, Thorsten Schmidt and René de Koster. This year’s symposium is being organised in cooperation with the International Material Handling Research Colloquium (IMHRC). The idea for this cooperation came from Prof. Furmans, who will be the host of both events this summer.

The keynotes at the beginning of the symposium on Wednesday will be held by Prof. Uwe Kubach, Vice President Internet of Things Enablement at SAP, and Prof. Larry M. Sweet from the Institute of Robotics and Intelligent Machines at the Georgia Institute of Technology in Atlanta. The subsequent panel discussion chaired by Prof. Kai Furmans will feature Professors Wolfgang Stölzle, Benoit Montreuil and Katja Windt, who will talk about “Logistics 4.0, a field of tension between technology and organisation”. On the Thursday of the event, there will be two parallel topic tracks, each comprising three presentations. One track will focus on “Manufacturing, Warehousing, and Information Technology”, while the other track is entitled “Operations, Logistics, and Supply Chain Management”. The findings of these two tracks will be summarised in a final session. [www.bvl.de/issl](http://www.bvl.de/issl)

From the head office

**Member Service** Katja Wiedemann, Head of the Member Services unit at BVL head office, and her team are delighted to welcome Curtis Campbell Saqladi as a new member of the team as of April 1, 2016. His main remit will be to provide assistance and support for Chairpersons and Representatives, and to promote the development of the association’s international activities. Curtis was born in the UK and most recently spent nine years working as a Sales Agent at Flyline (British Airlines, Iberia). He is an experienced “networker” and is well versed in international communication. His wide-ranging language skills also make him the ideal candidate for this task. Alongside his mother tongue, he has also studied Italian, French and German in the respective countries, and he also has knowledge of Portuguese and Japanese. Together with our new colleague, we intend to further optimise the services we provide to international members and extend the reach of our network.