

Europe's leading forum for automotive logistics puts down a marker

➔ **Start of the year** “The Forum Automotive Logistics is a total success right out of the blocks. The event greatly exceeded our expectations with around 550 attendees”, said Matthias Wissmann, President of the German Association of the Automotive Industry (VDA) in Munich. The Forum Automotive Logistics was jointly staged by the VDA and BVL for the first time on January 23 and 24, 2013. “The VDA and BVL have now created Europe's leading forum for logistics in the automotive industry. The event puts down a marker for the ongoing development of automotive production logistics, confirming the wisdom of our decision in favour of a joint VDA-BVL event.” Wissmann also outlined the key challenges in the field of automotive production logistics: “The production networks in the German automotive industry are becoming ever more global and increasingly interlinked. Last year, the number of new cars built by German manufacturers outside Germany increased to 7.7 million. Added to this total are the 5.4 million cars built in Germany.” He said that the parts and components of a car often came from different continents, being delivered by suppliers directly to the assembly line only when needed, just in time and often also just in sequence. “The job of production logisticians is to master this com-



Prof. Raimund Klinkner speaking at the Forum Automotive Logistics

plex system”, added Wissmann. Day two of the Forum Automotive Logistics at the MAN Truck Forum in Munich was opened by BVL Board Chairman Prof. Raimund Klinkner. He was also delighted with the first joint event. “BVL staged its sector forum for ten years, developing it into the kick-off event at the start of each year for the large community of automotive logisticians. We are pleased that we can now continue to write this success story and further expand the scope of this event together with the VDA”, said Klinkner. (ug) ...more

Cutting costs in value added chains

 **TOTAL COST OF OWNERSHIP**
April 23-24, 2013

➔ **New topic** Operational excellence and efficient cost management are key factors in ensuring the long-term success of modern companies, but individual optimisation and economy measures are not enough. All ancillary and consequential costs need to be analysed along the entire value added chain, and all processes must be optimised in a holistic way. Where are the biggest potentials and how can they be exploited?, Which tools can

be used to determine the total cost of ownership (TCO)? These and many other questions relating to cost reduction and value added chains will be the focal point of Bremen Logistics Day 2013 on April 23 and 24, 2013, when the event will be staged in a new format for the first time by BVL International in cooperation with the KIESERLING Foundation and VIA BREMEN. (see also commentary on page 2) (ug) ...more

EDITORIAL

The logistics sector in Germany made an encouraging start to 2013, and supply chain specialists and company decision-makers are optimistic for the coming months. This is the finding of the February survey for the Logistics Indicator of BVL. The mood was also positive at the first major event of 2013, the Forum Automotive Logistics in Munich attended by around 550 participants. Other important events in the first quarter: a cooperation agreement was signed by BVL and Finnish sister organisation LOGY. A group of students from the Higher School of Economics (HSE) in Moscow paid a visit to BVL Campus. The second Supply Chain Sustainability Award was presented together with BVL Austria. And what's next? The 4th German-Brazilian Logistics Conference will be held in São Paulo at the beginning of April. Planning for Supply Chain Day on April 18 is in full swing; in addition to the programme in Germany with about 350 events the Moscow, Izmir, Beijing and Shanghai chapters will invite members and guests on this “day of action”. The programme for the 30th International Supply Chain Conference is currently being drawn up. Entries for the German Award for SCM, to be presented at the Conference, are being accepted up to June 30.

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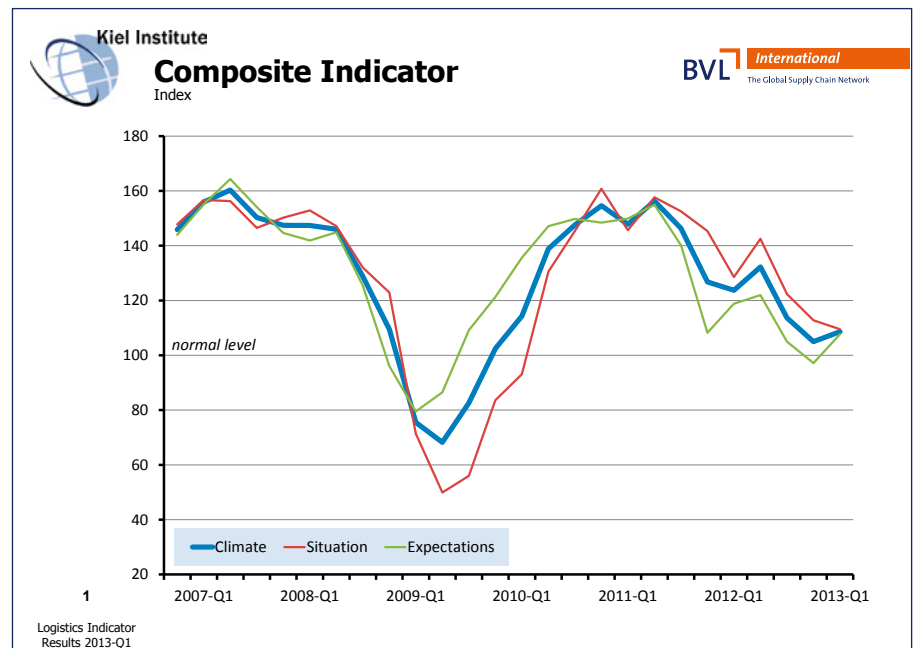
Controlled momentum at the start of 2013

Logistics Indicator: Commentary

200 decision-makers from industry, trade and the service sector paint a clear picture: the logistics sector in Germany has started the new year with controlled momentum – driven by a consistently optimistic mood. The logistics service providers view the current business situation and future expectations positively; the logistics managers in industry and trade share this optimism for the future but their assessment of the current business situation is more in line with the reserved expectations recorded in the previous quarter.

On the whole, all the components of the Logistics Indicator are back up well above the normal line, which means that the business outlook for the logistics sector is trending more favourably once again. The proximity of the assessment scores for current business and future expectations suggests we will see a continuation of the current trends, but for all the current optimism the weakness within the Eurozone indicates that caution is still the order of the day.

Both sides of the market predict a further modest expansion of physical resources, which are currently being used to near-full capacity. Developments on the personnel front are more restrained, but the respondents expect natural fluctuation rather than workforce downsizing. If the macroeconomic framework, which is essentially determined



by European and international monetary and fiscal policy, becomes more dependable in the coming months, this would be cause for longer-term optimism.

Until then, around 90 percent of respondents say the euro crisis and the development of energy and raw material prices are the biggest influencing factors on the expectation scores of the Logistics Indicator, followed by the economic trend in the USA and China. The logistics managers are less concerned about a potential downturn in domestic consumer spending, inflationary trends and

the development of interest rates.

The IMF says that global trade is currently growing at a rate of 3.2 per cent and forecasts a further increase. At four to eight per cent a year, growth in all the BRIC states (Brazil, Russia, India, China) is many times higher than that in the established economies. This is good news for Germany as an exporting nation. While the logistics industry does not predict any new records in 2013, it does expect a stable side-step with turnover and staffing figures in a par with 2012.

(Prof. Dr.-Ing. Raimund Klinkner, President of the Board, BVL International)

Holistic strategies

Commentary The rising pressure of costs means that cost management along the entire value added chain is the key to business success. While logistics costs can account for over 20 per cent of the total costs of manufacturing companies, they frequently eat up more than 40 per cent of costs in the trading sector. The main cost drivers are personnel expenses and freight costs, with the latter accounting for up to 40 per cent and personnel expenses as much as 50 per cent of logistics costs depending on sector. In practice, companies often realise cost efficiency

potentials in isolation on a project-specific basis without taking sufficient account of connected activities and possible follow-on costs. The central preconditions for front-to-end cost optimisation are cost transparency along the value added chain, management support, cost awareness among personnel and the incorporation of this awareness in the corporate culture and in-house processes. There are various tools that can help to ensure cost transparency, and the TCO model (Total Cost of Ownership) is increasingly being used in today's companies. In the logistics field,

this model was initially focused on the choice of suppliers, but it is now also used to predict the follow-on costs of logistics operations as well as in the selection of suitable systems or for network optimisation. A cross-functional approach is the key to the TCO model - logistics must be included in all cost-related decision-making processes within the company.

(Dr. Rolf Neise, Global Head of Logistics Operations, British American Tobacco (BAT), London/Hamburg)

2013 Supply Chain Sustainability Award goes to Tchibo

➔ **Award presentation** The winner of the second Supply Chain Sustainability Award, conferred jointly each year by the sister organisations BVL Austria and BVL Germany, is Tchibo GmbH. The company is being presented with the award in recognition of its wide-ranging project entitled “Acting with Responsibility”, in which logistics plays a central role. The award was accepted in Vienna by Marc-Stephan Heinsen, Director Supply Chain Management & Logistics, and Achim Lohrie, Director Entrepreneurial Responsibility. The congratulatory speech was held by the chairman of the seven-member jury, Dr. Christian Plas, founder and Managing Partner of denkstatt GmbH in Vienna.

The jury said that Tchibo pursues a strategically integrated and holistic sustainability approach which is systematically implemented in Tchibo’s logistics operations along the entire supply chain through the active integration of suppliers, business partners, employees and customers. Tchibo launched its project in 2006, when sustainability was defined as an integral element of the corporate strategy and – as Tchibo itself says – the company embarked on the road to



Prof. Thomas Wimmer, BVL Germany, the Tchibo-Managers Achim Lohrie and Marc-Stephan Heinsen, Dr. Christian Plas, chairman of the jury, and Roman Stiftner, President of BVL Austria at the award ceremony in Vienna, Austria

sustainable front-to-end business activities. “The award winner has made major steps along this road. They have not yet achieved their ambitious goals, but they set a process of continuous improvement in motion that deeply impacts all the corporate functions of the company, including logistics and supply chain management, in an exemplary manner”, said the jury chairman in his congratulatory speech.

The company not only adheres to the principle of effective and efficient process design but also systematically incorporates

environmental aspects and social concerns in its decisions. This applies equally to “coffee” and “consumer merchandise”. The Supply Chain Sustainability Award is open to companies in the industrial, trading and service sectors as well as implemented cooperation-based research projects. Projects and solutions based on the principle of holistic logistics with relevant outcomes in all three areas of sustainability – ecology, economy and social responsibility – may be entered for the award.

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Feeling and experiencing the fascination of logistics

➔ **Supply Chain Day** On April 18, 2013 many people in many locations will be taking part in what will be the 6th Supply Chain Day. On the third Thursday in April, a wide range of events will once again be organised throughout Germany, in neighbouring countries and in selected cities around the world in line with the motto “Logistics Paves the Way”. Why? Because companies in industry, trade and the logistics services sector, educational institutions and other organisations recognise the benefits of a special day that draws the attention of the public at large to the diverse solutions and services offered by the logistics sector. This day of action was called into being by BVL in 2008 and has grown in appeal and popularity ever since. During the last Supply Chain Day in 2012, around 34,000

people participated in 401 events staged by over 550 companies and organisations. During company tours, discussion sessions, business simulation games, information meetings and workshops, visitors experienced logistics “in action”, learned a great deal about how logistics operations are interconnected with other key activities and obtained background information on logistics and supply chain management. Many event organisers make targeted use of Supply Chain Day to come into contact with undergraduates and school students who will soon be embarking on a career and making decisions on vocational training. Other companies and institutions see this day as an opportunity to build contacts with their specific “neighbourhood”, organise special-

interest forums for experts or give their customers a chance to take a look behind the scenes. The events on Supply Chain Day are coordinated via the website www.supply-chain-day.com, where event organisers can find important information and showcase their activities – and where participants and interested persons can find out what’s going on and register for events where numbers are limited. Event organisers and participants who need additional information can contact the Supply Chain Day team at BVL head office.

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Inspiration, Ideas, Innovation



A good time and place for networking, discussions and updating of information

⇒ **30th International Supply Chain Conference** After the Conference is before the Conference is the saying at BVL head office in Bremen. And not just there: every November, the BVL Board, the Advisory Boards and the concept team also start developing ideas for the conference in the following October. At its strategy meeting in Hamburg in November, the Board approved the slogan for the anniversary conference which will take place in Berlin from October 23 to 25, 2013: Inspiration, Ideas, innovation. The focus will be on innovation – in keeping with BVL's strategy of looking above all to the future, even in an anniversary year. In the words of the Chairman of the BVL Board, Prof. Raimund Klinkner: "The International Supply Chain Conference will take place for the 30th time in 2013 and several months earlier, in April, our association will celebrate its 35th birth-

day. Both numbers stand for continuity - and innovation. The concept of an expert network made up of real-world logistics managers and scientists spanning all sectors and always open to new stimuli has paved the way for and enabled numerous developments. And we hope this will continue to be the case in years and decades to come." The concept team for the 2013 Conference comprising 25 logistics experts from industry, trade, the service sector, consulting and science met up in Berlin at the beginning of January for the first time. They engaged in intensive brainstorming sessions to develop themes and ideas geared towards hands-on knowledge for hands-on solutions. The Conference programme is scheduled for publication at the beginning of June.

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Is your supply chain management innovative?

⇒ **German Award for SCM** The invitation for entries for BVL's German Award for SCM, which will be presented for the 30th time on October 23, 2013 during the International Supply Chain Conference in Berlin, focuses on innovative solutions in the field of logistics. Whereas the emphasis used to be on integrated front-to-end solutions, the leading question this year is "Is your supply chain management innovative?". The invitation targets the logistics departments in

industrial and trading companies as well as logistics service providers. The award is also open to descriptions of innovative methods and processes that have resulted in improvements to SCM and logistics. The submitted concepts should preferably already have been implemented in the real world. Entries should be sent to the mail address dlp@bvl.de and must be received by midnight on June 30, 2013.

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Report from Switzerland

⇒ **BVL Representative** Florian Domberger of Cilag GmbH International, division Johnson & Johnson Consumer Europe, is representative of BVL International in Switzerland and Chairperson of the regional group of the alumni organization VFA of the German Foreign Trade and Logistics Academy (DAV). He reports on the group's activities:

The regional group in Switzerland consists of 15 members, most of them based around Zürich - or better: Central Switzerland. The group meets three/four times a year, mainly in Zürich for informal gatherings. Obviously the main topics of discussion circle around logistics and networking. At every meeting we see six to ten people joining. The members are all Alumni of the DAV in Bremen, with Thomas Brabender and me being the "seniors" (1995). The group started about six years ago through a regular round table.

Every year we see two or three Alumni joining. That is, because Switzerland has become a very interesting and attractive place to work. The exchange rate to the Euro (and the US Dollar) manifests a very strong Swiss Franc. The salaries are good, but that is also necessary: Switzerland is very expensive compared to the neighboring countries and a Café Crème can easily cost six Francs. The quality of life however is excellent, not least because of a second-to-none infrastructure, the Swiss Alps and lakes as well as the central location, right in the heart of Europe. Thus it is easy to convince people from the EU to work and live here and our group has slowly expanded. Our group supports networking activities and we are available to help, especially when newcomers arrive and need advice, or just want to have a chat, whilst getting settled in the new environment. We are also available to help people finding a job, by using the network. Our network spawns obviously into various logistic companies but also into software, retail, consumer and pharma. Obviously we encourage contacts outside of the group and will be more than happy to meet, chat and network.

A targeted strategy for activities in the Web

➔ **BVL in the social media** “I like it” has been the response of meanwhile over 1,000 visitors to the BVL page on Facebook who clicked on the famous “Thumbs Up” symbol. BVL has been active on Facebook and Twitter as well as XING and LinkedIn since 2009. These involvements have recorded their highest growth in recent months, thanks not least to a well-planned strategy.

What are the benefits of social media? They ensure an incredible reach at minimum cost and permit real-time dialogue with members of the public interested in logistics, politicians, companies, high potentials or journalists. In this way, BVL can help to shape debate and discussion on logistics and BVL. It also provides us with an opportunity to find out which issues are currently the hot topics in the logistics community. What are people talking about, and what kinds of questions and statements are being discussed in the special-interest forums? The information gathered during this process provides valuable pointers for such things as the design of our service portfolio, events and seminars. Against this backdrop, a targeted strategy has been developed for involvement in the social web, and the necessary resources have been put in place. During the strategy workshop organised by head office at the



Ten colleagues from the BVL head office and BVL Campus contribute regularly to the success of BVL in the worldwide web

beginning of 2011, a working group came to the conclusion that BVL should tap into the potential of the social networks, and a team of employees expressed their willingness to become involved on behalf of BVL. Goals, strategy and planning are also key to success in social networks, so a strategy workshop comprising members of the management team defined central goals, drew up a strategy and developed a “social media guideline”. This guideline provides all employees, members and friends of BVL with the tools and confidence they need to participate in social networks on behalf of BVL.

Before BVL becomes involved in these new channels, the management and the social

media team sits down to become acquainted with this totally new form of external communication and to clear up any remaining misunderstandings and doubts. The newly created team is really enjoying developing the first themes and content and planning its first campaigns. The first two themes are already up and running: In “Logistik ABC”, full-time and honorary BVL staff explain the key terminology used in logistics and supply chain management. And in Photo of the Month: Logistics Heroes, BVL employees present their personal favourites. Everyone is encouraged to get involved, spread the word, join in the discussions and submit comments.

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Five questions about social networks

1 Why are social networks so important?

Reach and speed are the two decisive factors. Statistically, one in three people in Germany – from babies all the way through to the elderly – are already members of Facebook. In January 2013, for example, each piece of content distributed via BVL’s Facebook page reached an average 340 people.

2 Aren’t social networks just places for teenagers to post their party photos?

The truth of the matter is that in Germany adults make up the majority of Facebook members, the biggest adult age group being the 25 to 34-year-olds. Alongside the business

networks XING and LinkedIn, leisure networks like Facebook are increasingly used for job-related content – in the form of interaction in specialist forums or on company webpages.

3 Are members and friends of BVL also active in social networks?

Almost certainly: 80% of Germans use the Internet on a regular basis, and 70% are registered with at least one social network. Not forgetting that the competition is also active – according to the German Association of Digital Economy (BVDW), 85% of all German companies are present in at least one social network.

4 But what about keeping control of the communication process?

The controllable part of communication

has always been restricted to self-published media. The same applies to social networks – people decide themselves what they publish. Conversations between third parties that used to take place in the non-public sphere are now visible, however. And this is where companies can benefit: by listening and engaging in dialogue.

5 And what role can social networks play in the success of your business?

That depends. What is important are clear-cut goals and the corresponding strategy. In short, success in social networks is always measurable when the goals of a company’s involvement in a network are clearly defined.

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Studium Generale in the new CHEP Room



CHEP executives Rüdiger Heim and Christophe Campe officially open the CHEP Room together with BVL Chairman of the Executive Board Prof. Thomas Wimmer

➔ **BVL Campus** As part of the “Studium Generale” series, David Mayo, Senior Director Supply Chain DACH + NORDICS CHEP Deutschland GmbH, held a presentation at

BVL Campus in Bremen on February 4. He outlined the benefits of “pooling” for the environment and increased cost efficiency, using several examples to illustrate the success achieved in this area by CHEP, a leading provider for the pooling of pallets and containers. He also talked about innovations that are a success in both economic and ecological terms because they save CO₂, space and resources. “Innovations are primarily driven by the need to develop new products and solutions to meet customer needs and preferences. Without innovations, companies would be unable to maintain their market status” was one of Mayo’s central tenets. Accordingly, the questions from the floor following the presentation focused on the

differences between conventional pallets and the innovations that CHEP develops together with its customers. Alongside David Mayo, CHEP representatives Christophe Campe, Vice-President and Country General Manager Germany, and Rüdiger Heim, Vice President Human Resources Europe, also travelled to this event to officially inaugurate the CHEP Room at BVL Campus. The seminar room can seat around 30 people and will be used by HIWL and DAV students. Through this commitment, CHEP wants to promote the qualified training of logistics specialists and support the work of BVL Campus.

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Experiencing intercultural action in a team setting



Students from Russia and Germany cooperated in a project at the BVL Campus

➔ **BVL Campus** In mid-January, 23 students and two lecturers from the Higher School of Economics (HSE) in Moscow paid a visit to BVL Campus as part of the cooperation between the two institutes. This year, the focus was above all on innovations in supply chain management in industry, outsourcing strategies, trends in the trading sector, lean production and lean management in connection with the realisation of agile supply chains. The first outing provided hands-on insights into the handling of containers, automobiles and offshore wind energy at the terminal of EUROGATE and BLG in Bremerhaven. The topic of wind energy was of particular interest, as this form of energy generation is currently of little or no significance in Russia. A further outing gave the students a chance to become acquainted with the mate-

rial supply operations for the Airbus plant in Bremen at the material management centre of the Stute company. The visit to Hermes Fulfilment in Hamburg was also extremely exciting, where students gained in-depth insights into returns management as one of the major challenges facing the mail order sector. Together with students from HIWL, the students from Moscow then had to solve a group task in a teamwork setting, and cooperation and intercultural skills played a particularly important role in the competition between the teams. The course in Bremen has been a fixed part of the curriculum for fourth-year HSE students for three years now, and there are plans to continue the successful programme in January 2014.

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Partnership with LOGY

➔ **International** During the Logistics Seminar 2013 staged by Finnish logistics association LOGY in Helsinki and Tallinn (Estonia), a cooperation agreement was signed by LOGY President Pekka Orne, LOGY Managing Director Markku Henttinen and Thomas Wimmer, Chairman of the Executive Board of BVL. With 3,600 individual and around 250 corporate members, LOGY is one of Europe’s biggest and most respected logistics organisations. The annual Logistics Seminar has in the region of 1,000 participants, making it the second-largest logistics event in Europe behind BVL’s International Supply Chain Conference attended by over 3,000 experts. LOGY and BVL have enjoyed friendly relations for many years, and this cooperation will be intensified in years to come in view of common fields of activity throughout the Baltic region. ...more

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