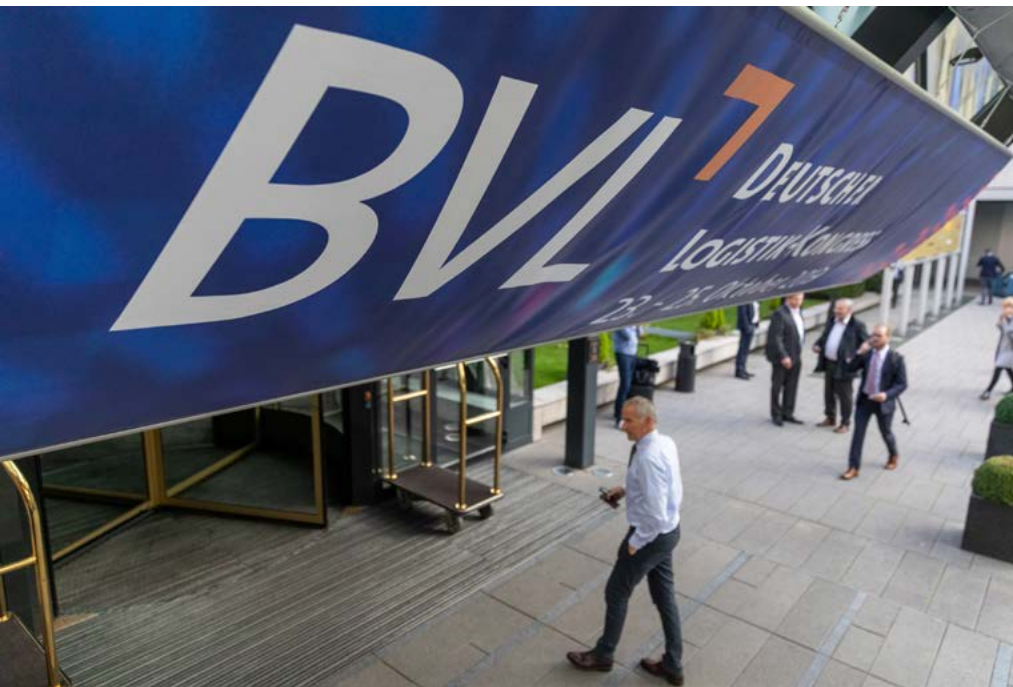


# LOG.Letter

BVL<sup>7</sup> INFORMATION FOR INTERNATIONAL MEMBERS OF BVL

ISSUE 04/05/06, JUNE 2020

## The Conference Will Take Place – a Signal of Optimism



**INTERNATIONAL SUPPLY CHAIN CONFERENCE**  
Many events have been postponed or cancelled this year due to the corona pandemic - or have been staged in online-only formats. BVL has also adapted its events and services to the new situation. In numerous conversations between head office and the honorary members of the various association bodies as well as exhibitors and partners of BVL, it soon became clear that the International Supply Chain Conference should take place as a face-to-face event. This is one of the ways in which BVL is sending a signal of optimism. As the organiser, BVL is convinced that staging a conference in October 2020 following months of contact restrictions, minimal travel and a wide range of business challenges will present a major opportunity – despite the foreseeable need to put some restrictions in place for attendees. The logistics sector is being rebooted with a positive attitude and a clear near-term focus. Commu-

nication and coordination are more important than ever before – be it by video conference or phone or, increasingly, in direct one-on-one conversations. It goes without saying that the pandemic will have an effect on the general framework and programme of the conference. Protecting the health of conference participants and exhibitors, the organising team and the employees of our event partners will take top priority. BVL will contribute its know-how as an expert in event logistics and ensure that hygiene rules and official stipulations are observed. The conference will be supplemented by additional digital formats and new digital services. In terms of content, the concept group and the team headed by project manager Christoph Meyer from BVL head office have put together a varied programme featuring first-rate speakers. The programme is available in English [here](#).

### BVL International – Selected Events in 2020

**Hannover Messe Digital Days**  
July 14 and 15, 2020  
Hannover, Germany

**International Supply Chain Conference**  
October 21-23, 2020  
Berlin, Germany

## EDITORIAL

Dear BVL Members,

Ever since COVID-19 was declared as a pandemic in mid-March, we have been subjected to drastic changes to our lifestyles. Home office, online video conferences, and public guidelines such as face protection and by keeping socially distant, are just some of the things that have become a part of our everyday life since the world went into lockdown. If you are like me, you have already mastered taking part in and organizing video meetings via online video conferencing platforms such as Meet, Teams, Zoom, etc. compared to three months ago, when navigating such tools perhaps seemed trickier. Lockdown – and with it, the gradual and ongoing restart – has in most sectors, increased the use of online technology. The same goes for BVL's logistics community, which has embraced online conferencing platforms as a temporary replacement for hosting and attending events: the 42nd Ordinary Members' Meeting and 2020 Town Hall Meeting both took place this April for the first time in the association's history in online formats. The 2020 International Supply Chain Conference, however, is still to go ahead this October in Berlin, albeit under new guidelines. This year's second LOG.Letter International issue provides a preview of BVL's upcoming annual conference. Plus, we have all the news and reports from BVL's Chairpersons and Representatives. As always, the BVL Office thanks its members for their support. Stay healthy. Stay safe.



**Curtis Domberg**  
BVL Member Service,  
International Relations

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## Shaping the Future in a Sustainable Way has Never been More Important

### INTERNATIONAL SUPPLY CHAIN CONFERENCE

The corona crisis lends even more weight to the BVL theme for the year and the conference – “Sustainability in Action – Winning the Next Decade”. The lockdown and reboot of the economy create new opportunities. In the words of BVL Board Chairman Prof. Thomas Wimmer, “our sector is responsible for shaping the future – focusing on national and international value networks, business location decisions, technologies, qualifications, digital transformation, sustainability and key political decisions”. More than ever before, logistics faces the challenge of positioning itself for a successful new decade. The conference will naturally also be about identifying the best solutions to restart the economy after the shutdown, but the scope of topics extends beyond corona. The confirmed speakers from the world of politics include Andreas Scheuer, Federal Minister of Transport and Digital Infrastructure, and Robert Habeck, Chair of the German Green Party. Scheuer’s keynote will outline the key aspects

of the transformation to sustainable, future-safe logistics operations and how the 20s can be the decade of innovation. Robert Habeck, who recently said at the digital Green Party Conference that “particularly now, when everything seems to be about the present and the crisis, we can see a door opening to the future”, will be speaking about how decision-makers in logistics can be pioneers in this process of transformation. Christoph Bornschein is the founder and CEO of digital company Torben, Lucie und die gelbe Gefahr (TLGG) as well as a specialised author and is a highly influential consultant to major corporations. At this year’s conference, he will be describing how digital solutions can help to drive a transformation from linear to circular value added. A further speaker in Berlin is author and entrepreneur Frank Thelen, who believes that “digitalization was just the beginning. We are now embarking on the biggest revolution in human history”. Logistics has the chance to play a part in shaping this revolution.



BVL wants to play a creative role – and this will also be reflected at the International Supply Chain Conference.

### COMMENTARY ...

## Prepared for any Eventuality



Dr. Torsten Mallée  
Director International Business Development,  
AEB SE, Stuttgart,  
Member of the BVL Board,  
Head of Concept Group ISCC 2020

Will the International Supply Chain Conference take place in 2020? Absolutely! BVL is convinced that the conference will be especially important this year. New inspiration and ideas, building personal business contacts and interaction with colleagues in networks – these are things for which there has been and will be far too few opportunities in 2020. Particularly given the Covid-19 pandemic with all its new and additional challenges, the conference is more important than ever before. How do you plan a major event in times like these? The extent to which we can predict the further impacts of the crisis on economy and society is limited. The same applies to the health and event regulations that will be in place in October. A task force at BVL head office is busy drawing up scenarios that take account of possible developments. Our association is fortunate to be able to rely on proven, long-standing partners in Berlin who are willing to respond flexibly to these potential scenarios. And we are delighted that this is the case! It

means that we can say we are prepared for (almost) anything – above all for an outstanding conference! Even though it will be a different International Supply Chain Conference from the one we are used to, it remains the most important sector event for visitors and exhibitors providing all the highlights and formats that have been so successful over the years. The fact that it will be supplemented by extended digital formats is without doubt a positive development. The first version of the programme containing detailed information on the exceptional conference schedule and the top speakers is already available. [See for yourself!](#) And, as always, the motto is “We’ll see you in Berlin!”.

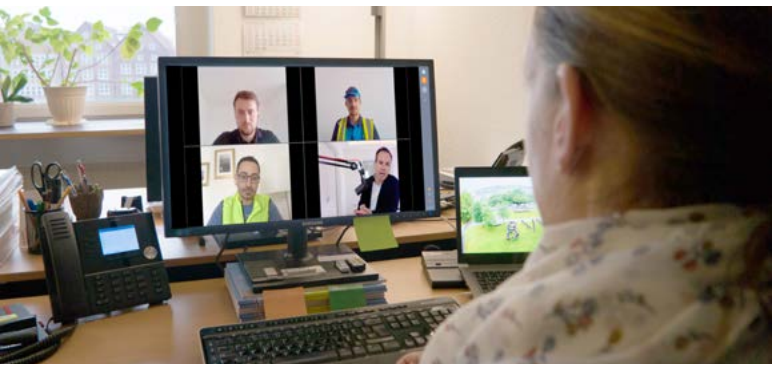


## Supply Chain Day Went Online

**DAY OF ACTION** The corona crisis has underlined the message of Supply Chain Day, now in its 13th year – namely, that logistics and supply chain management are systemically important and that they secure the supply of basic goods to society. While companies all over Germany and in many other countries would normally have opened their doors to interested members of the public so that people could look behind the scenes, this year's day of action was entirely online. 75 virtual events were on offer, as well as videos, stories and hashtag campaigns in the social networks. Via all social media platforms, the hashtag #tagderlogistik (i.e. supply chain

day) reached around 800,000 people on April 16. The tweets on the @tagderlogistik account alone were displayed in the timelines of 5,000 people, and the interaction rate was in the order of 3.7 percent. The hashtag #tagderlogistik regularly appeared in the Twitter trends for Germany. Most of the events also reflected the changed image and the new positive attitude of the public at large towards logistics. In an Amazon video podcast featuring four parcel delivery operatives on the last mile, one of the participants said: "You also feel better. I get home and have the feeling I've done something important". Further highlights included the

Facebook or Instagram stories of apprentices at the BLG Logistics and F. W. Neukirch companies. Virtual tours of the FIR research centre at RWTH Aachen University and through the "Innovation Lab for Hybrid Services in Logistics" in Dortmund showcased examples from the field of logistics research. "We are delighted that so many companies and institutes had the courage to follow us down this new, digital route and adapted their event programmes to suit virtual formats at such short notice. As a result, we were able to provide a well-deserved stage for logistics and supply chain management – even in a year such as this. We would like to say a heartfelt thank you to all those who were involved", said Prof. Thomas Wimmer, Chairman of the BVL Board. And it was indeed a first for many committed companies and organisations, who made use of the opportunity to interact with the broader public via formats like webinars, a video conference or a Facebook "watch party" for the very first time. On the next Supply Chain Day, BVL would like to see a combination of real-world company events and virtual formats. The next day of action is scheduled for April 15, 2021.



Virtual platform for Supply Chain Day: a total of 75 events – such as an Amazon video podcast – were staged on the Internet on this day of action.

## Members' Meeting Online in 2020

**ASSOCIATION** The 42nd Ordinary Members' Meeting of BVL was originally supposed to be a face-to-face event during the Hannover Fair. But it wasn't to be. Since the end of February, corona has also turned the life of BVL upside down. At the same time, however, the Members' Meeting had to take place during the first half of the year for legal reasons. So it was fortunate that the logistics community is used to adapting spontaneously to new circumstances. With expert support from BVL.digital, the face-to-face Members' Meeting was therefore turned into a Members' Meeting with accompanying webinar. Nine BVL members were physically present in the premises of BVL Campus, all of them employees of BVL head office, and their job was to stage the Members' Meeting and the webinar. 270 members attended the meeting via the Internet and were able to ask questions in a chat format or request to speak by raising their hand. As neither the association laws nor the statutes of BVL permit online votes at the Members' Meeting, around 140 members assigned their voting rights in



New experience: Prof. Thomas Wimmer moderated the first digital Members' Meeting of BVL.

advance to Katja Wiedemann, Head of Member Services. New Board Chairman Prof. Thomas Wimmer moderated the webinar together with Member of the Executive Board Uwe Peters, looking back at the year 2019 and forward to what we can expect during the remainder of 2020. In particular, he underlined the work of the BVL Chapters, who once again staged a varied and wide-ranging programme of events last year. One of the main topics on the agenda were the elections to the Board. Katja Windt, member of the Executive Board at SMS Group GmbH in Düsseldorf, was re-elected

following the end of her current term in office. Moreover, the election of six new members, including three women, lowered the average age of Board members. The new members are Eva Combach, Director, Worldwide Transportation Cars, Trucks, Vans & Buses at Daimler AG; Marcus Dirks, Managing Director at Dirks Group GmbH & Co. KG; Dr. Sigrid Nikutta, CEO of DB Cargo AG, and Board member responsible for freight transport at Deutsche Bahn AG; Kay Schiebur, Executive Board member in charge of services at the Otto Group; Christina Thurner, partner und member of the Executive

Board at Loxxess AG; and Marcus Wollens, Vice President Logistics and Controlling at BMW AG. Each of them recorded a personal video beforehand for presentation to the Members' Meeting, and all the candidates were elected unanimously apart from their own abstention. Members expressed their satisfaction with the way in which BVL had mastered this challenge. This sentiment was echoed by Honorary Chairman Prof. Peer Witten on a live feed from Hamburg: "Many thanks to all those involved for this fantastic first digital Members' Meeting!"

## Gratitude and Recognition for Many Years of Commitment

**TAKING LEAVE** Three terms in office are the maximum permitted by the BVL statutes. Which is why three Board members stepped down at the Members' Meeting on April 20 – an event that all members were able to "attend" online. All three were warmly thanked for their long-time honorary commitment and the important part they played in the development of the association. Joachim Limberg from the NLMK Group, until his departure the Vice-Chairman of the BVL Board, and Frank Wiemer from the Dirks Group were awarded the BVL Badge of Honour for their outstanding work, while Karl A. May from the BMW Group was presented with the Badge of Honour in Gold. BVL Board Chairman Prof.

Thomas Wimmer thanked the three departing Board members in a short, personal speech and underlined their exceptional contribution to the cause of BVL. Former BVL Board Chairman Robert Blackburn from Stanley Black & Decker, Board Chairman since 2018, decided not to stand for re-election due to his job-related commitments. He was also awarded the BVL Badge of Honour in Gold and named a life-long honorary member of the association. It is hoped that the former members of the Board will be able to receive their badges in person in the near future, at the latest at the International Supply Chain Conference in Berlin from October 21 to 23.



Took leave of the BVL Board after three terms in office in line with the articles of association: Frank Wiemer, Karl A. May and Joachim Limberg (from left).

## Management Meeting Becomes Town Hall Meeting

**EXCHANGE** The BVL Chapter Chairs come together once a year to talk to each other about their honorary activities. In 2020, the analogue Chapter Management Meeting was transformed into a virtual "Chapter Town Hall Meeting" moderated by Katja Wiedemann, Head of Member Services. After the words of greeting from BVL Board Chairman Prof. Thomas Wimmer, the first speaker was Board member Dr. Torsten Mällée,

who outlined his personal view of the current situation and admitted that optimism is gradually making way for realism. As there are no historical precedents for the current crisis, he believes it is conceivable that we will also see a wide range of different follow-on crises. Board member Josip T. Tomasevic joined the meeting on a live feed from Atlanta and provided some insights into the situation there. He emphasised that interaction and

the exchange of ideas is especially important in times like these. On behalf of the Chapters, Chapter Chairs Dr. Michael Mehltau, Thomas Henkel, Volker Klassen and Prof. Christoph von Viebahn briefly outlined the situation in their respective regions. Christoph von Viebahn reported on his experience staging the first digital event of his Chapter and encouraged the other Chairs to follow suit. He was full of praise for the staff of BVL.digital, who made the event technically possible in the first place. Nikolai Posanok promised that all Chapter Chairs would be provided with support and assistance in this area. Last but not least, Christoph Meyer, Head of Research and Events, provided an overview of the current status of the International Supply Chain Conference 2020, which will provide attendees with the opportunity to meet in person once again.



Keeping their distance – the meeting of Chapter Chairs was a virtual event this year.



## BVL Chairpersons & Representatives Meetups in May and June



BVL Chairpersons and Representatives during a video conferencing meetup in June

**INTERNATIONAL HONORARY NETWORK** To stay in touch and to keep up to date in wake of the ongoing pandemic, BVL's international Chairpersons and Representatives outside of Germany linked up together twice in as many months via video conferencing with the BVL Office to discuss activities and developments in the association's international network. The first meetup took place on 15th May with two sessions – due to the time zone differences in

Asia, Europe, and North and South America. In similar fashion to the BVL Town Hall Meeting in April, participating honorary BVL Chairpersons and Representatives joined BVL Office's Curtis Domberg discuss membership development since the beginning of the year and BVL's international network highlights of the year so far. BVL Chairpersons Kirill Vlasov (Russia), Wojciech Paprocki (Poland), and BVL Representative Lars Bäumann (Mexico) took the time to update the

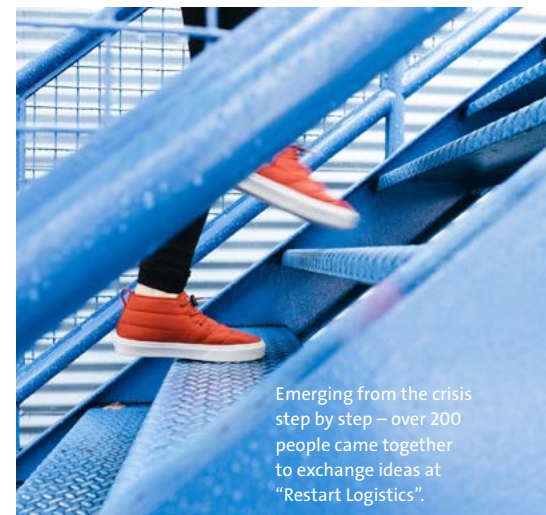
second session's fellow international honorary officials on their country's progress and outlook during the pandemic at that time. A month later, and BVL's Curtis Domberg linked up once more with BVL's international Chairpersons and Representatives on 17th June, once again with two video conferencing sessions in separate time zones. Talking points for the second meetup were a look at the association's ongoing membership promotions, a look back at BVL's international online webinars that had taken place since May, and plans for the upcoming 2020 International Supply Chain Conference. Each Chairperson and Representative then went on to talk about the developments in the BVL communities in their countries and regions in roundtable format. Curtis Domberg will carry on linking up with BVL's international honorary officials on a monthly basis, at least until the near future, as both the BVL Chairpersons and Representatives together with the BVL Office find the meetups useful in terms of reaching out to each other in wake of the pandemic. [more ...](#)

## Hitting the Ground Running after the Corona Shutdown

**ONLINE CONFERENCE** On May 13, BVL.digital held a three-hour online conference with interviews, presentations and special-topic sessions under the heading "Restart Logistics – A Successful Path out of Crisis". Over 200 people took part interactively, while more followed the proceedings via the additional streaming service. The event kicked off with a conversation with BVL Board Chairman Prof. Thomas Wimmer about the reboot of the automotive industry and the marathon challenge currently facing the food retail sector. Christian Wolff from Mercedes-Benz Manufacturing in the Hungarian city of Kecskemet and Stefan Wohler from Edeka looked back at the extensive five week-long shutdown from March 23 until April 28. Wolff described this period as the "time of logistics managers". He praised the creativity with which the gradually disintegrating supply chains were partly kept intact by using an intelligent strategy of freight detours. He said the sudden "transition to a different world" showed that many things still functioned – in the home office environment, for example – but that the massive burden stretched the IT infrastructure to its limits. The plant in Hungary initially resumed operations in single-shift mode from the end

of April. Wohler told of major imbalance on the demand front, characterised by rapid turnover growth at one and an almost total slump in areas such as tourism and shopping malls at the other. "These developments presented major logistical challenges", said Wohler, describing the extremely pragmatic response of both management and employees as well as the relevant authorities. He said that the rules on Sunday truck transports had been relaxed and that employees moved from supplying the food service sector to the food retail sector. He also talked about how it was necessary to intervene by making adjustments in what are normally automatic scheduling processes. And what does the future hold? "Volatility is now normality", said Janis Bargsten from Flexport. He added that it was still difficult to predict whether the path out of the crisis will be a V, U or perhaps even a W-shaped one. Dr.-Ing. Sylvia Trage von KPMG expects to see an acceleration of the digitalization process. Markus Meißner from AEB agreed with this assessment but also asked the question whether the necessary budgets will be available after the crisis. Together with Prof. Christian Kille from Würzburg-Schweinfurt University of Applied

Sciences, Meißner outlined the assessment of the German Panel of Logistics Experts. The experts forecast a five percent downturn in turnover for 2020 and an upturn of three percent in 2021. This 2021 growth will likely be driven not by global trade but by internal demand within the EU. "The era of linear globalisation is over", said future researcher Matthias Horx, predicting that there is a part of industry will be unable to regain its former status.



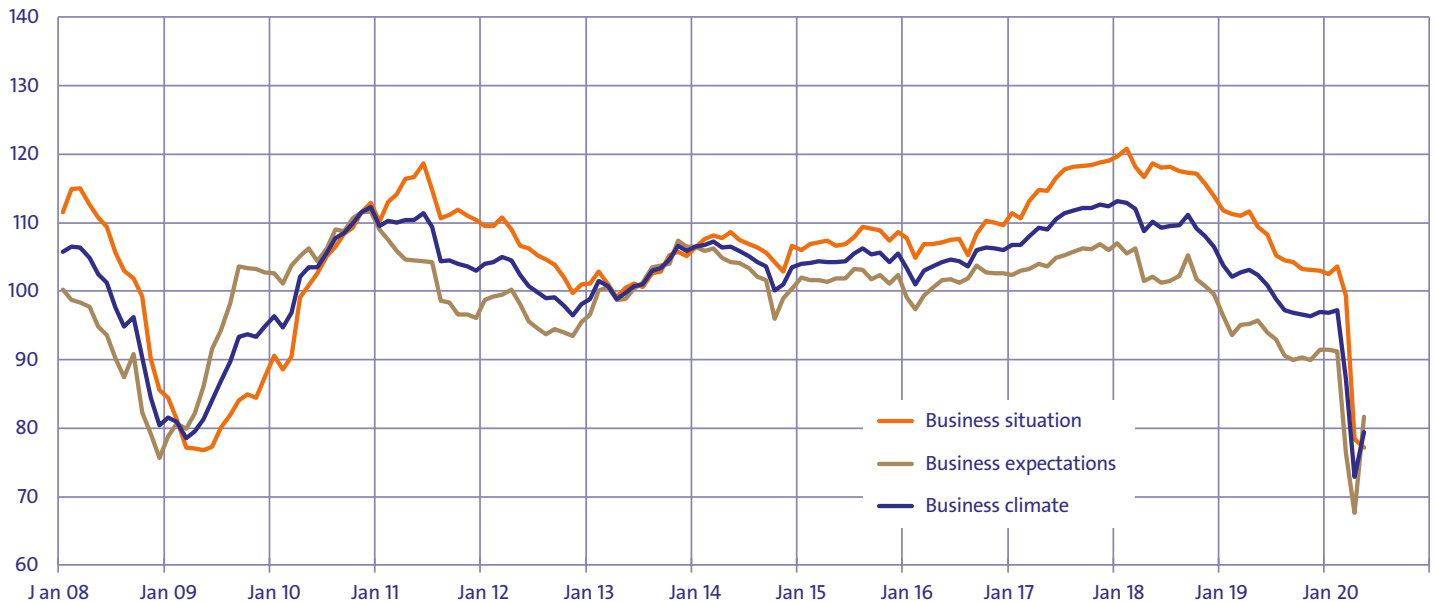
Emerging from the crisis step by step – over 200 people came together to exchange ideas at "Restart Logistics".

## Reboot + Update for SCM/logistics

Commentary by Prof. Thomas Wimmer, Chairman of the Board,  
BVL – The Supply Chain Network

### LOGISTICS INDICATOR IN Q2 2020

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We will not forget March 2020 in a hurry. On March 9, Italy declared the entire country a no-go zone after being hit hard by the corona pandemic; by March 16, there was not a single control-free border crossing anywhere in Europe. From March 17, the major car manufacturers shut down their assembly lines at short notice; other industries soon followed suit. A few days later? Lockdown.

Whereas we still saw some optimism over the economic trend for 2020 in February – before corona – a more pessimistic sentiment took hold from early March. The Covid-19 restrictions came at a time when markets were already stagnating, and the key economic levers were almost totally blocked. Until then, I could never have imagined that Schengen borders would be closed and that the Logistics Indicator would plummet to levels we last saw during the 2008/9 financial and economic crisis, and then even lower, as happened in April – even if the mood in May is slightly brighter again.

So what can we expect now and in the near future? Despite the outstanding performance of our sector of the economy – a sector that is not only systemically relevant during times of crisis – the logistics year 2020 will not be a good one. The volume of logistics services is likely to

shrink by around five percent, and this will lead to at least 50,000 lost jobs based on conservative estimates. The short-time working provisions are currently concealing the real impact of corona on the labour market. No one has been able to effectively counteract this impact to date. This comes as no surprise, as we were confronted with a sudden system collapse lasting several months. Despite the demand growth in specific sectors, it is the negative impacts that have been clearly dominant, with freight volumes in motion falling by between 30 and 50 percent or more within a short space of time.

What should we do now? For the last few weeks, supply chain managers and logistics specialists in trade and industry have been working with their logistics service providers on operational measures that will enable them to ramp up their systems once again – with the aim of returning to “normal service” in the medium term. For the most part, these measures are proceeding smoothly, but there have unfortunately also been some less desirable outcomes. Surplus capacity in the logistics service sector has unleashed price wars, and some providers are fighting for survival. This is an area where there is a real need for prudence and a sense of proportion.

In strategic terms, there is a chance that we can turn the crisis into an opportunity. We need to reassess the absolute priority of resource/cost efficiency. As long as we have the right framework conditions, value added chains can function in an optimum fashion. Single sourcing can be highly efficient. Multiple sourcing is more costly, but it spreads the risk and is more resilient in times of crisis. Global parts tourism is not sustainable and entails a high level of risk. The focus will now be on robust, lean supply chains.

Alongside this reboot, we also need an SCM/logistics update. This means we should question conventional structures and, where necessary, adjust our business practices. We have a lot of ground to make up in goods and services, but we cannot return to “business as usual”. This is also something we want to discuss with you at the International Supply Chain Conference in Berlin from October 21 to 23. How can we shape the coming decade and indeed the future in a sustainable way? The conference programme will soon be available, and we are currently developing an event format that is both safe and appealing. We look forward to seeing you!

[more ...](#)

## Guests in Bremen

**BREMEN** The BVL Office received a visit from a special guest on 11th June: BVL Mexico Representative, Lars Bäumann (Volkswagen AG), stopped by the BVL HQ in Bremen during his stay in Germany. Bäumann met up with BVL Chairman of the Board, Professor Thomas Wimmer, and BVL Member Service Head, Katja Wiedemann. The main purpose of Lars Bäumann's visit was to discuss potential and future activity in his BVL Representative role as well as other link up possibilities with BVL's international network.

BVL Representative Lars Bäumann (center) together with Prof. Thomas Wimmer and Katja Wiedemann in Bremen



## BVL Chapter China – Shanghai Donates Face Masks to BVL Office



**BREMEN** In mid-April, Germany, like most countries at the time in Western Europe, suddenly found itself at the height of the Corona-

virus pandemic. With most suitable protective face masks being produced in and delivered out of China, and with there being more demand

BVL Office's Lilian Suen (left) and Thomas Wimmer with the protective face masks sent by BVL Chapter China – Shanghai.

than supply, BVL Chapter China – Shanghai's Professor Dianjun Fang was kind enough to offer the BVL Office a solution, by kindly donating a shipment of face masks to Bremen. Despite a complicated shipping process, the face masks arrived within ten days of being shipped and the association's head office was able to dispatch the face masks amongst its other two locations DAV/BVL Seminar Campus and BVL.digital. Furthermore, the BVL Office was able to assist other local non-profit associations by donating a number of the masks received from the Chapter China – Shanghai.

## REPORTS FROM THE INTERNATIONAL CHAPTERS AND REPRESENTATIVES

**SHANGHAI** 2020 has been a special year so far, as it has seen the whole world be affected by the pandemic, which has gone on to have a huge impact on the global supply chain. CeMAT ASIA and BVL Chapter China – Shanghai came together on 15th May to make the most of live online broadcasting and to discuss how to build a more reliable emergency supply chain system in such global emergencies. The online webinar event which went by the theme #WorldLogisticsDay saw BVL China – Shanghai Chairperson, Professor Dianjun Fang (Tongji University) take part as special guest moderator. Executives and representatives from well-known local and international companies such as Kute, Zebra Technology, Bosch China, and SupplyOn, also took part in the event. Lasting almost three hours and with a total of 3,993 viewers who tuned in, the video conference and its participants made it into BVL Chapter China – Shanghai's history books.

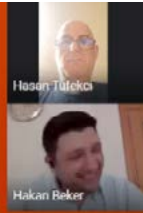
[more ...](#)



The live online webinar's panel featuring BVL Chairperson Prof. Dianjun Fang (left)



## Purchasing Management During Trade Wars



Event host Hakan Beker discussing with webinar participants

Ticaret Savaşlarında Satınalma Yönetimi



Dr. Hakan Beker



**ISTANBUL** In today's challenging and competitive environment, which is constantly being shaped by trade wars and protectionism, all institutions and organizations should learn to use their resources in an optimal way. When all these factors are

taken into consideration, it is then necessary to position purchasing management as a strategic business process in order to improve the supply chain, to make countries more flexible and agile against the variations in their own economies,

to strive to turn risks into opportunities, and to develop continuous solutions. The online conference webinar titled "Purchasing Management during Trade Wars" took place on 20th June and was organized by BVL Chapter Turkey in cooperation with UPROCS-Unique procurement Solutions and the TDU (Turkish German University) Business and Economics Club with event host and moderator Dr. Hakan Peker (UPROCS) and Altay Onur (BVL Representative Turkey) respectively. Over 40 local students, young professionals, and university lecturers showed interest in the conventional and modern approaches, in particular where cost management is considered, were detailed. Moreover, the main targets of future oriented companies – which include information on the effect of purchasing processes on business results, digitalization and risk management – were the other discussion points of the webinar.

Report by Altay Onur (BVL Representative Turkey)

[more ...](#)

## Insights from Luxembourg During the COVID-19 Pandemic

**LUXEMBOURG** The COVID-19 pandemic has not failed to leave its mark on Luxembourg and presented substantial challenges to the country as well as its logistics sector. As since March 17th the slogan in Luxembourg has been "stay at home", 58.5% of all companies had to cease their activities, while 41.5% continued their operations with reduced workforce and under strict restrictions. In light of the special geographical situation of Luxembourg, with its three borders to Germany, France and Belgium, the decision by its neighbouring countries to close their borders strongly affected the country's activities. These unilateral decisions led to substantial bureaucratic hurdles as, from one moment to another, commuters and truckers required three different cross-border permits. Consequently, travel restrictions, unharmonized cross-border regulations, and non-aligned hygienic requirements challenged the transport companies' creativity to secure the supply of vital products and medical equipment.

Being a key location for airfreight in Europe, the exploding demand for medical goods coupled with the significant shortfall in belly capacity from passenger aircrafts created grand chal-



Philippe Scholten (right) during a visit to Arthur Welter Transports in Luxembourg

lenges for the Luxembourg airport as well as its major carrier Cargolux, the ground handler LuxairCargo, and its road feeder partners. Through an outstanding collaboration with its

network of partners, the Luxembourg airport was able to prove its resilience and to confirm its pivotal role as a central logistics hub for Europe and the greater region. The excellent relationship between Luxembourg and China paired with Cargolux's frequent flight connections to the Asian continent, made it possible to handle a significant amount of healthcare material for Europe, including 27 million masks which were freely distributed to the population.

Looking ahead, Luxembourg's government coalition has put together an exit strategy including a financial aid package of more than 8.8 billion euros – 14.2% of its GDP - to save and restart the economy from the coronavirus crisis. Targeting the sectors mostly affected by the pandemic, the government aims at cushioning the economic consequences of the crisis and promoting a restart which strongly focuses on social and environmental aspects.

By Chapter Luxembourg Chairperson Malik Zeniti and Philippe Scholten (Cluster for Logistics)



## LETTER FROM ...

## Kirill Vlasov (CEO, STS LOGISTICS), BVL Chapter Russia Vice Chairperson

My name is Kirill Vlasov and I am the CEO at STS LOGISTICS. We at STS Logistics run a 3PL logistics company which has been on the market for 23 years and has more than 800 employees. We have a wide regional network with 25 local offices in Russia and we have our own branches in Kazakhstan, the Ukraine, and in the Netherlands.

At the end of March 2020, we all found ourselves in a new economic reality at the company. Let's divide the impact on the economy of two obvious factors straight away:

1. The Coronavirus pandemic and short-term impacts caused by administrative restrictions during quarantine and
2. the impacts on the economy and, in particular, logistics in Russia, as a whole, taking into account the emergence of several "black swans" – the failure of the agreements OPEC+ and uncontrolled fall of the ruble is tied to oil prices, falling consumer demand due to poverty, and job losses as a result of the restrictive measures. It is obvious that the negative effects from the second point are much stronger and all of us have yet to fully accept and feel it.

Based on the expectations of our customers in each region and for each type of activity (customs, warehouse, different types of transportation), by adjusting the expectations of new sales, we prepared 3 scenarios for the development of events and measures to be taken. Unfortunately, all three scenarios do not provide for growth. The measures taken include reducing costs, closing unprofitable businesses, and searching for new opportunities. In the warehouse business, we change shift schedules to minimize the amount of employees per shift, centralize the purchase of consumables, refuse the services of outsourcing companies, use the opportunities for employees to leave for paid and administrative leave in all business areas, and agree on the possibility of reducing working hours for a period of low load.

In an era of change, the time for decision-making has been reduced, and we need to act accurately and quickly. Taking a long time to make a decision in the circumstances of a rapid market



STS Logistics' overview of its locations in and outside of Russia

decline is an opportunity to go into losses and eat up your working capital.

Previously, we summed up the company's overall financial results once a month around the 20th day of the following month. Now it is important to observe the dynamics of volume changes we have learned to see the numbers and make decisions much faster. Already on Tuesday morning, I have a summary of the results of the past week on my desk, expressed both in money and in real terms – the number of shipments, overloaded tons, the volume of operations performed, invoices and CMRs. This allows us to assess which of the scenarios we are moving towards and understand whether the cost-cutting measures taken are sufficient.

#### The crisis is also a new opportunity.

Sales and Marketing: It is necessary to continue communicating with clients, understanding the details of their work in the new environment, and their values. Evolve current products, adapt them to today's realities.

Planes stopped flying, it became impossible to use air transportation – we agree with clients to replace type of transport. We send cargo by LTL trucks instead of via air cargo. Production

resumed in China – ports reopened, and containers began to flow to Russia.

If the ruble falls, imported goods become more expensive, and those produced in Russia, on the contrary, are cheaper. The structure of import and export operations is changing, and exports are gradually growing. For example, furniture in 2018 was at 70% imported and 30% exported. Back to 2020: 50% import, 50% export. Agricultural exports are growing and new niche solutions begin to appear, with one example being the transportation of bulk cargo in conventional containers – the technology of using Flexitanks. A new and niche industry solution is the export of sunflower oil in containers using Flexitanks to Syria, Iran, and to Tanzania.

#### more about the Chapter Russia ...



## LETTER FROM ...

## Steve D. Markham, BVL Chapter US – Southeast Chairperson



BVL US – Southeast  
Chairperson,  
Steve D. Markham

You could pick one of two words to summarize current business and personal life in Atlanta, GA: “uncertain” and/or “dynamic”. A month has passed since I was first asked to write an article about the impacts of COVID on business and personal life in Atlanta. Much has happened since then, and I am uncertain which direction things will turn next. The Federal Reserve’s “economic uncertainty” index is maintaining levels only briefly reached in the economic meltdown in September and October of 2008. At the same time, things are certainly dynamic and the agile among individuals and businesses are best situated to come out of this ahead of the pack.

Four weeks ago, I was certain that the US (along with the rest of the first world) was on a good path. The trends in New York City and other national and global hotspots were good. Prophecies about negative developments from early re-opening of states like Georgia had not come true. In the meantime, the US has been torn by racial unrest and citizens have had more immediate concerns than contracting or distributing a virus. Now Covid is staging a comeback in areas of the country including Georgia and life in the weeks ahead is again uncertain as some cities, regions, and states roll back their opening efforts. Flexibility, along with fiscal and emotional resilience, is required for both business and personal affairs.

At a basic level, and despite the statistical differences in the number of Covid-19 cases, I believe the general situation and experience

here in Georgia and the US is not that different than in Germany or parts of Europe. At least until now, anyway:

- In terms of health, there are great differences between virus hot-spots and areas that are unimpacted. Depending upon where you live and what age demographic you belong to, you have a different personal experience and different opinions on the necessity of social distancing and restrictions. Except for the greater New York City area, we have not experienced a widespread failure of health institutions and the Intensive Care Units. However, the extent of infection and death rates are jaw-dropping and the impact on the elderly is disastrous. If the current rise in infections of young persons translates into more infections for the elderly, the US has dark clouds on the horizon.
- At a governmental level, Covid has exposed ambiguity and disconnects between the federal, state, and municipal levels. The federal government has created tremendous capital flows to stimulate the economy and many citizens question how long this can last and how it will be repaid. Sound federal policies and laws need to replace guidelines as the virus doesn’t recognize state lines, but our US-constitution doesn’t allow the executive to take such things into his or her own hand. Also, I do not think it is ever prudent to encourage an administration to overstep the constitution. There are methods to achieve the result, but they are difficult in a polarized political environment.
- In the supply chain, both international and domestic businesses have been disrupted and bullwhip effects are reverberating throughout industry and trade. Both winners and losers are challenged by the changes and companies are again uncertain about the extent, duration, and long-term impact of the crisis. They struggle to decide on how much can be invested to adjust to the current situation. Talk of adjusting to the “new normal” is everywhere, but most realize the “new normal” is simply constant change. Covid is an accelerator, pushing companies to become more agile quicker than they had ever imagined. One of this

country’s great logistics minds, Jim Tompkins, said that “option-ization” is now more important for business than optimization. My summary of his statement is that those who have invested in multiple options and in agility (at initial higher cost) are best able to survive in a dynamic market.

I believe that readers in Germany and Europe will recognize some of the above trends in their own areas. The biggest differences I see to Germany and Europe are:

- The missing universal healthcare system with all its impacts in this situation.
- The weaker social services network to help workers and families who have lost jobs (and their health insurance along with their jobs). Although new benefits have been created, the U.S. system lacks certain tools such as a) the ability to bank overtime hours for essential workers, or b) government supported short-time work for those who are below capacity.
- The mentality of a disproportionately large group of Americans that values personal liberty over a perceived greater collective good. This also manifests itself in a lack of discipline to follow what appear to be common sense measures regarding the wearing of masks.
- The impact of a major election year in a politically divided country. It seems that very few elected officials at any level and of any party are willing to take a stand and make tough and unpopular decisions that could slow the virus’ spread and reduce the severity of future restrictions.
- And finally, I must mention this difference: People taking their guns to the streets, thinking that this makes the right impression. I am at a loss for further words on this topic.

On a personal note, I do not actually know anyone who has been hospitalized with Covid. I only know one individual who has tested positive for antibodies. For me, like many others, this disease remains a mysterious threat that

has not directly impacted my life or the lives of those near or dear to me. On the other hand, Covid-19 has had significant impact on my work and personal life. The industries and areas in which I have worked and had projects in the past are suffering and working at less than capacity. Accordingly, the market for interim management and consulting in these fields has become more difficult and the timeline forward is uncertain. I believe that the market-niche for interim management will increase, as foreign

companies are either legally hindered from sending their own employees (which I disagree with) or they have difficulty finding volunteers to travel to the U.S. and North America.

Approaching mid-year, it is obvious that 2020 will not be fondly remembered. It will however be remembered as a turning point for companies. Many firms are going to come out of the Covid pandemic as more flexible agile companies that have adapted to a new marketplace

and workplace. Some will have accelerated strategies within a framework that was already in place. Others will have grudgingly and painstakingly adapted to the “new normal”. In closing, I would like to urge readers to read up on or refresh their knowledge of VUCA-theory and get prepared for what promises to be a breathtaking ride.

[more about the Chapter US – Southeast ...](#)

## Recommend a Member to BVL

**NETWORK** BVL thrives from a dedicated and communicative network of decision makers and supply chain experts that make up the roughly 11,000 BVL members across the world. Which is why the BVL Office will gladly send existing members, who recommend the association to new members, a small gift as a token of our appreciation. Existing members who successfully recommend a BVL membership can choose from a range of rewards including BVL thermal mugs, table flags, notepads, and much more. To find out how you can integrate your contacts and associates into our supply chain network, please visit our website for further details.

[more ...](#)

BVL table flags are just some of the gifts you can receive by recommending BVL to a new member



## Impact of COVID-19 on Supply Chain Innovations

**BLOG** In an English series on the BVL Blog, Wolfgang Lehmacher deals with the impact of COVID-19 on supply chain innovations. Episodes are about “opportunities in times of global disruptions”, “the art of start-up investing” and more. The series is well worth reading – as a CEO, chairman and board director (ED and NED), CXO advisor, operating partner, business angel, book author and keynote speaker, Wolfgang

Lehmacher knows what he is talking about. He is an influential leader, an industry and technology evangelist partnering with stakeholders across the global supply chain ecosystem, from start-ups, to asset owners and corporate enterprises to drive growth and business model innovation.

[more ...](#)

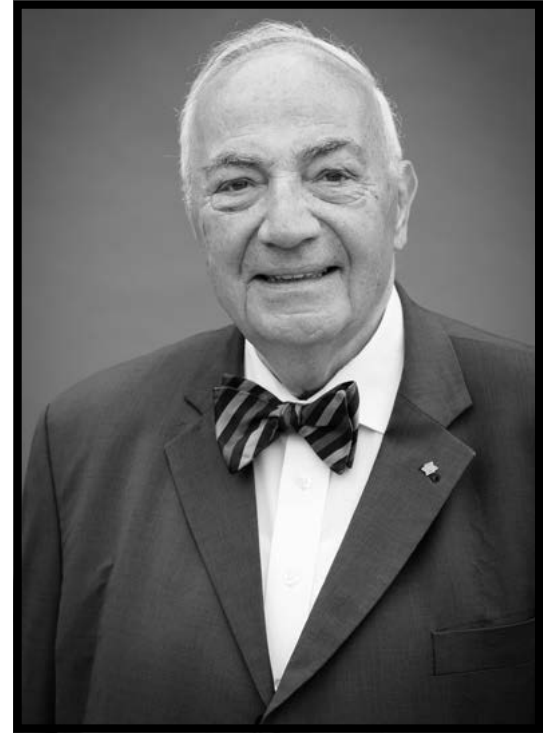


## BVL Mourns the Loss of Hanspeter Stabenau

**OBITUARY** Hanspeter Stabenau, founding member and long-time Chairman of the BVL Board, passed away in Bremen on June 10, 2020 at the age of 85. Born in Königsberg, Hanspeter Stabenau was a logistician of the first hour, and he is a man that made his mark through his activities in both theory and practice. His credo was that you can only be successful in your job if you enjoy the work. After earning a degree and a PhD in Cologne majoring in Transport Science, Stabenau moved to Bremen in 1961 and began working for the German Foreign Trade and Commerce Academy (DAV), first as a lecturer, and from 1966 as Director of Studies. Together with Prof. Helmut Baumgarten, Jürgen Busch, Peter Höhndorf, Dr. Gernot Lukas, Dr. Albert Schmitz, Dr. Klaus Spicher and Manfred Türks, Stabenau was one of the founders of BVL in 1978 and the Chairman of the Board of the association until 1999. The creation of the International Supply Chain Conference – which took place in 1984 for the first time – is one of

the milestones of his efforts on behalf of BVL. In order to promote logistics topics, Stabenau regularly brought together companies from different sectors and experts from academia around the same table. He represented both DAV and BVL – and therefore the logistics sector – on numerous bodies. Stabenau retained close ties with BVL and DAV right up to the end. He was Honorary Chairman of BVL, regularly visited head office in Bremen to talk to the employees there, and was also an enthusiastic attendee at the International Supply Chain Conference in Berlin up to 2017. The BVL Board, the members of all the association bodies, long-time colleagues and the employees of BVL and BVL Campus, of which DAV has been part since 2007, are saddened at the loss of a committed logistics expert and likeable human being. We will not forget him.

Dr. Hanspeter Stabenau



### PHOTOS AND GRAPHICS

BVL, BVL/Kai Bublitz, BVL/Mark Gross (p.4), Cluster for Logistics (p. 8), STS Logistics (p. 9), Musent LLC (p.10)

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