

# UAE | LOGISTICS



Control Tower solutions  
- development together with customers

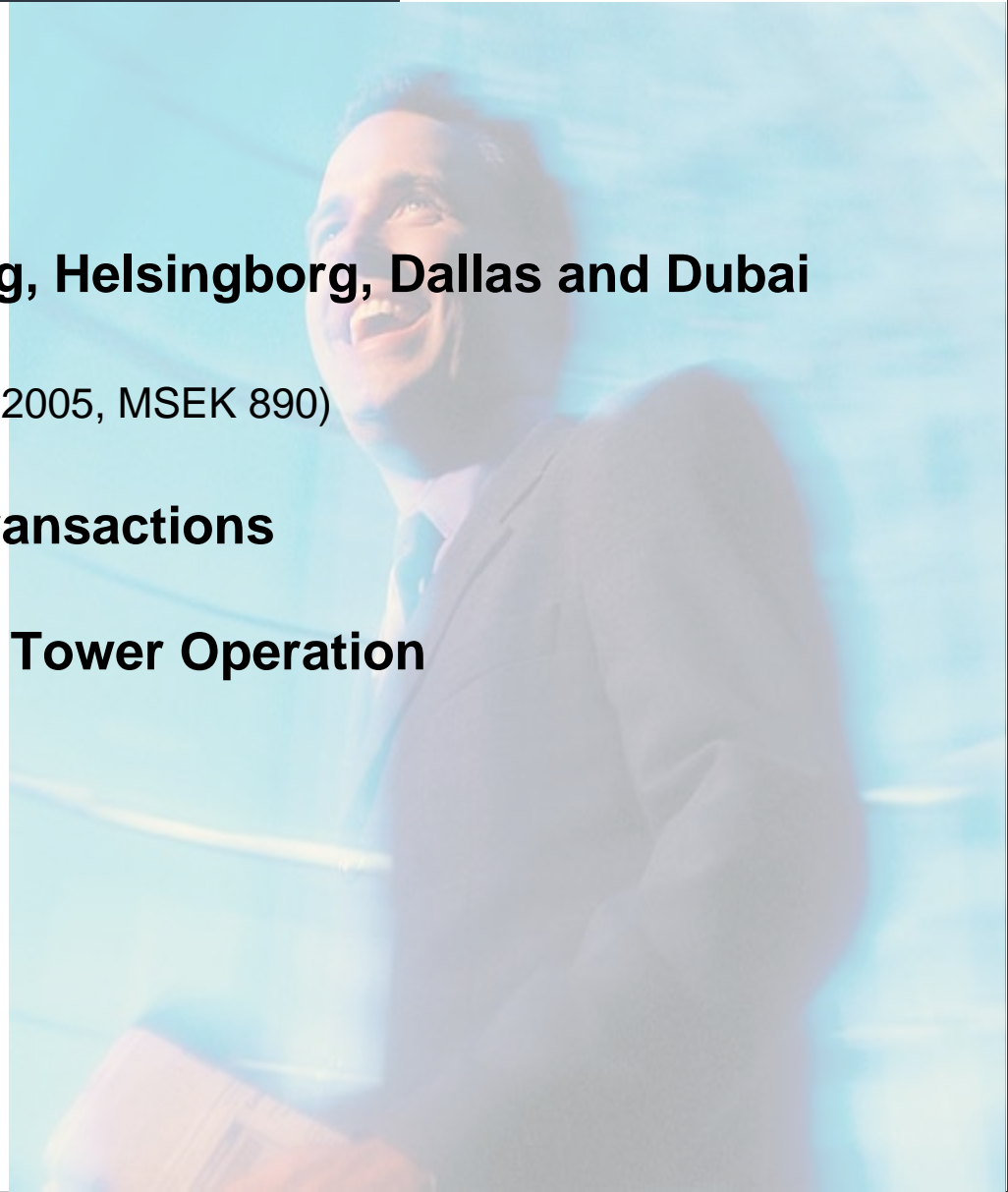
Odette & FKG Seminar Jönköping, Nov 23th 2005



- 1. Who we are – a short introduction**
- 2. The challenge – the customers requirements**
- 3. The solution – Control Tower**
- 4. Continuous Logistics Development**
- 5. Summary**

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- **100 employees**
- **Offices in Stockholm, Linköping, Helsingborg, Dallas and Dubai**
- **Turnover 2004, MSEK 754** (prog. 2005, MSEK 890)
- **240.000 transports, 1.200.000 transactions**
- **Logistics Consulting & Control Tower Operation**
  - Outsourced logistics functions
  - 4PL Mindset



**” A supply chain integrator that assembles and manages the resources, capabilities and technology of its own organisation with those of complimentary service providers to deliver a comprehensive supply chain solution ”**

Accenture 1996

## ■ Operations

Full support before, during, and after transport

## ■ Purchase and Distribution

Evaluation, purchasing, follow up and development of suppliers of logistic services

## ■ Business and ICT development

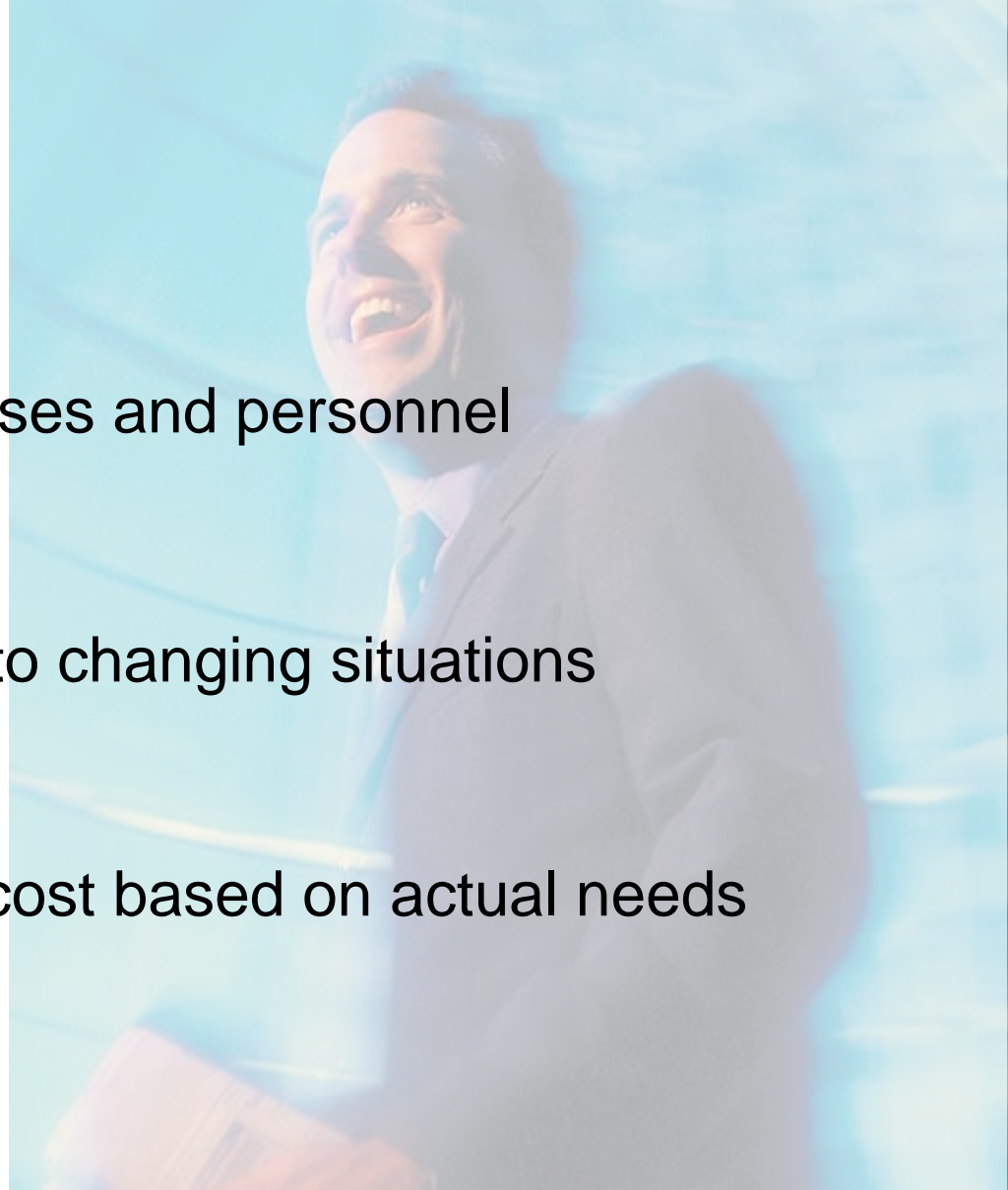
Analysis, development, and implementation of solutions:

- Processes
- Structures
- IT & Communication

## ■ Support functions

E.g. financials, legal, administration

- **Simplicity**  
One partner
- **Efficiency**  
Suitable IT-platform, processes and personnel
- **Flexibility**  
Pro-activity and adaptation to changing situations
- **Economy**  
Open business model with cost based on actual needs





## Control Tower Operation

- Ericsson
- Saab
- Metso Paper
- Emhart Glass
- FMC FoodTech
- Emerson Energy Systems
- Sony Ericsson

## Logistics Consulting

- Astra Zeneca
- ICA Meny
- Kronan
- Svensk Etanol kemi
- Metso Minerals



**SAAB**



**EMHART**GLASS

**FMC**FoodTech



Ett steg före



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## Customer A

Aim to reduce warehousing and lead-time

to increase customer satisfaction and improve cost situation

### Logistics characteristics:

**Complex flows**

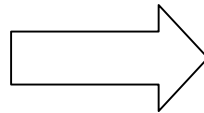
**Project deliveries to site**

**High volumes,**

**Repeatable products**

**Integrated service demands**

**Time definite lead-time**



### Require:

**Simplicity**

**High reliability**

**Flexibility**

**Continuous improvement**

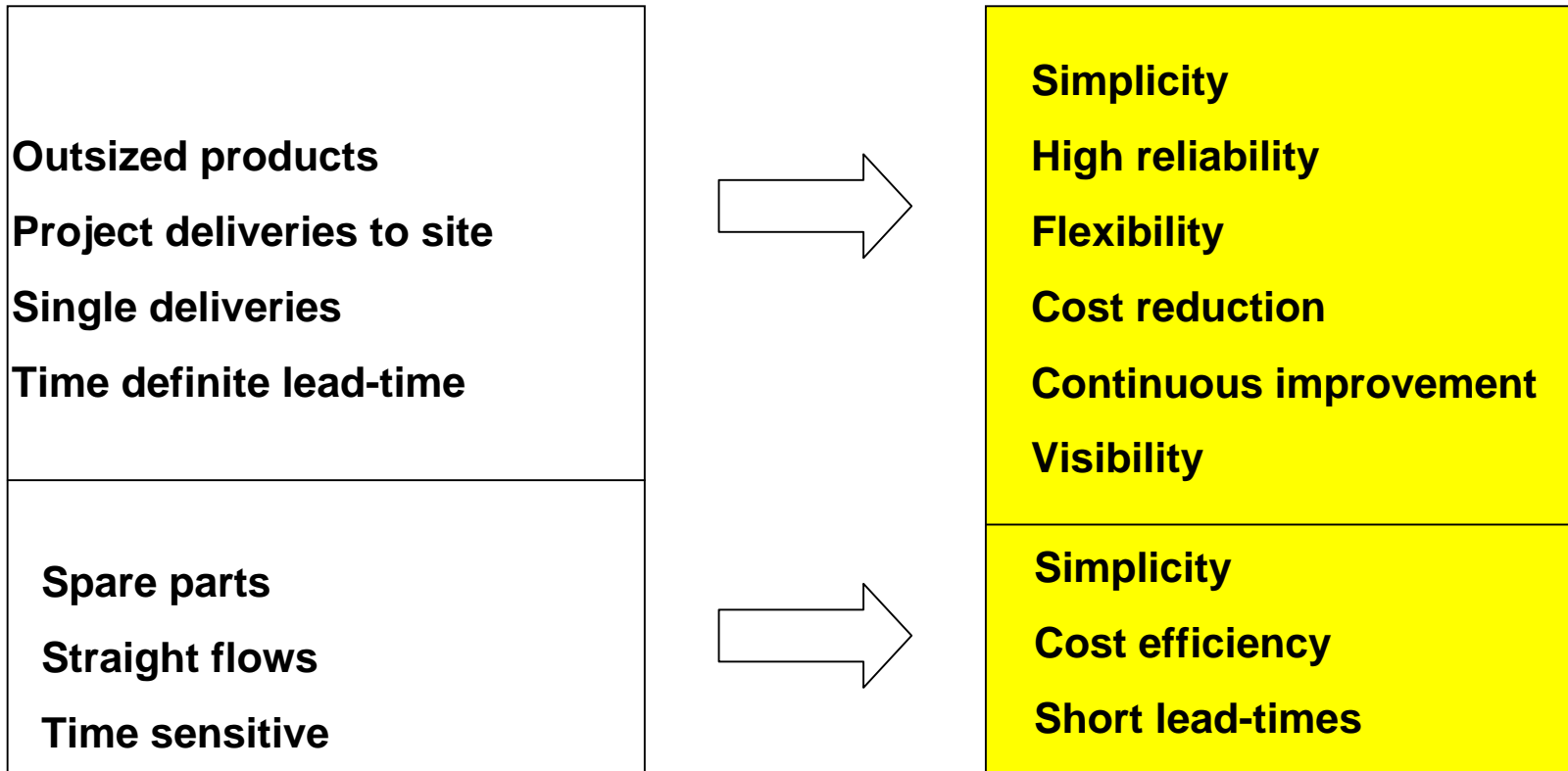
**Development**

**Visibility**

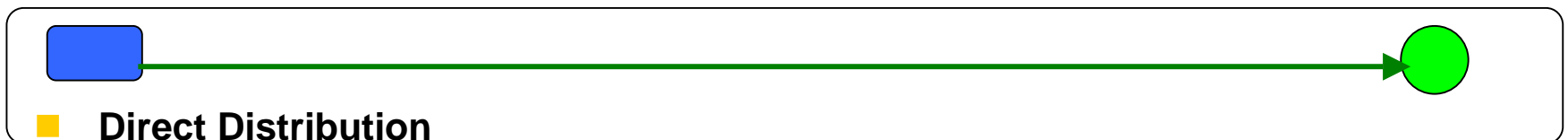
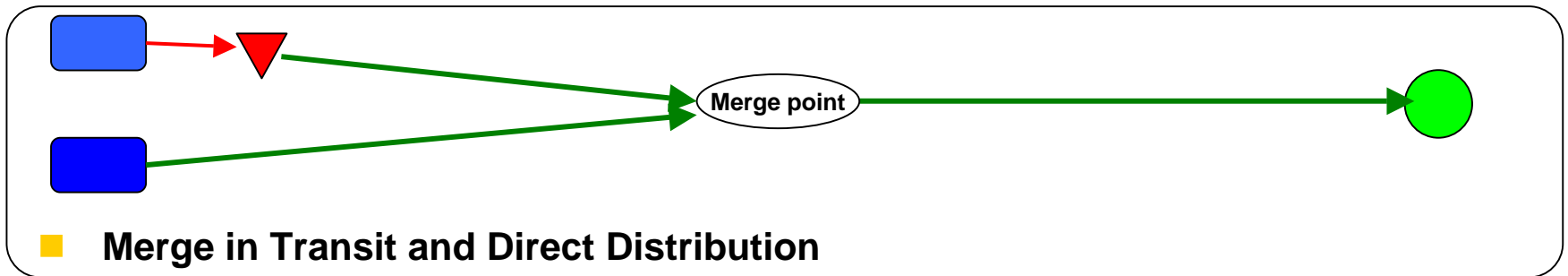
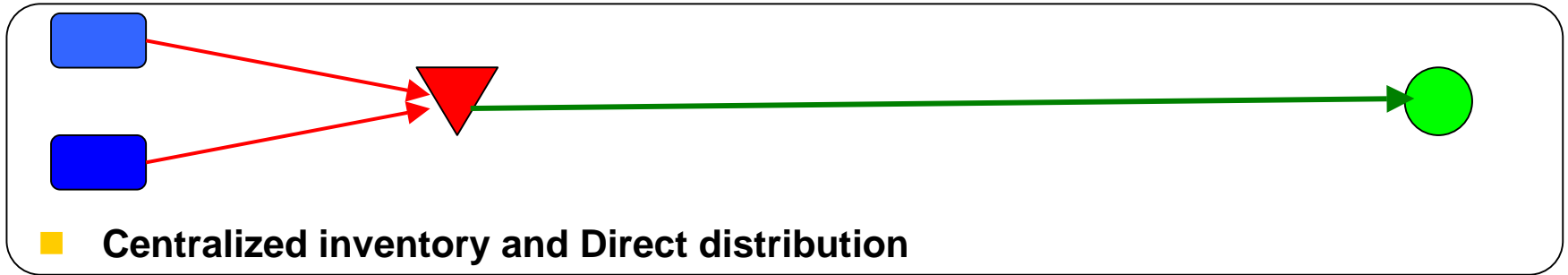
## Customer B

Looks for general improvements to reduce cost and to add competence

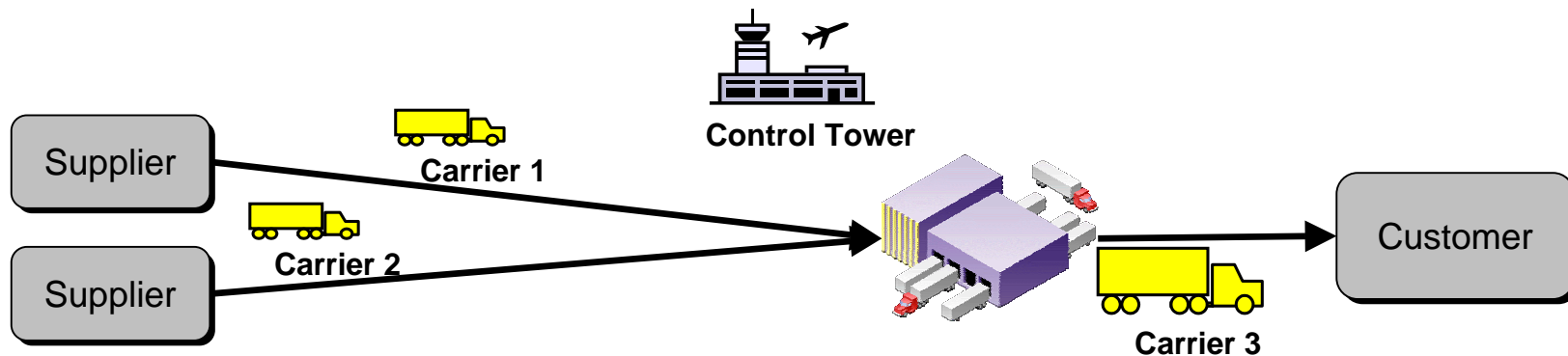
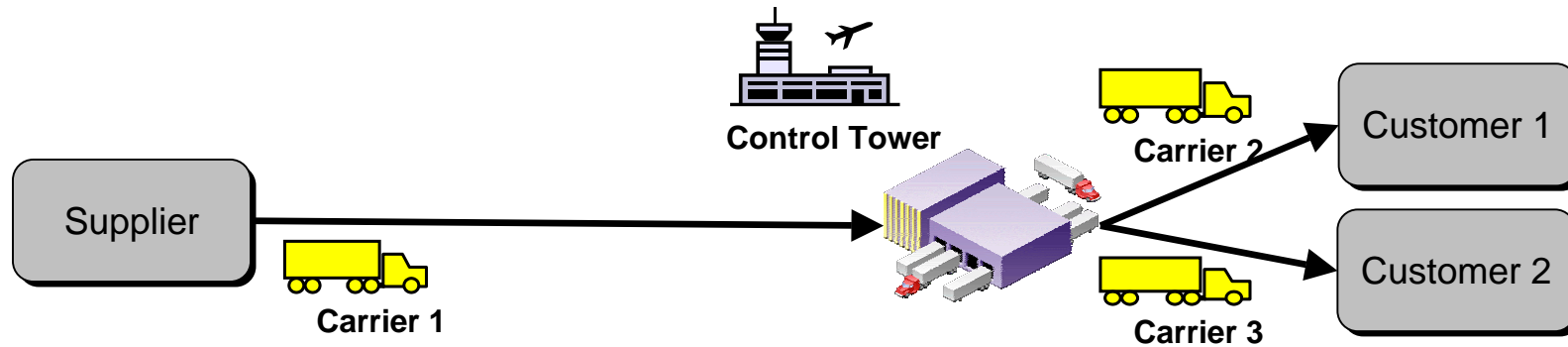
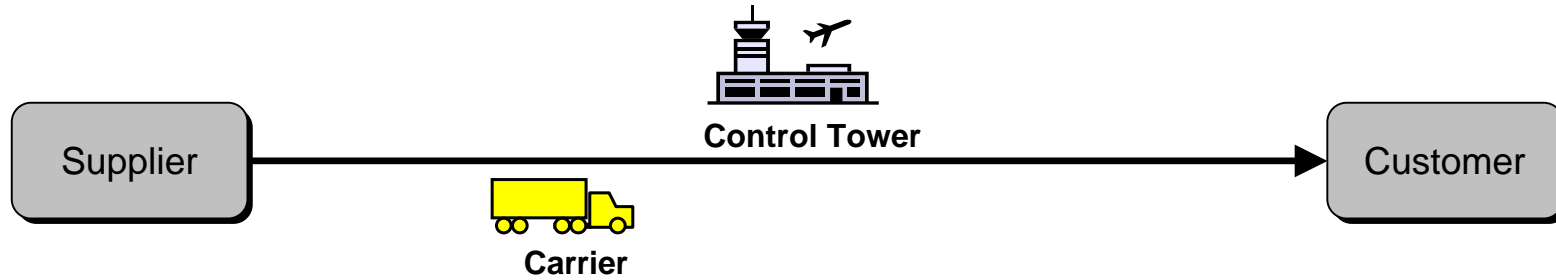
- If someone can do it cheaper and better than them self, let them do it.



Production      Central Warehouse      Local Warehouse      Customer



# Direct Shipment – “unbroken” delivery from supplier to customer

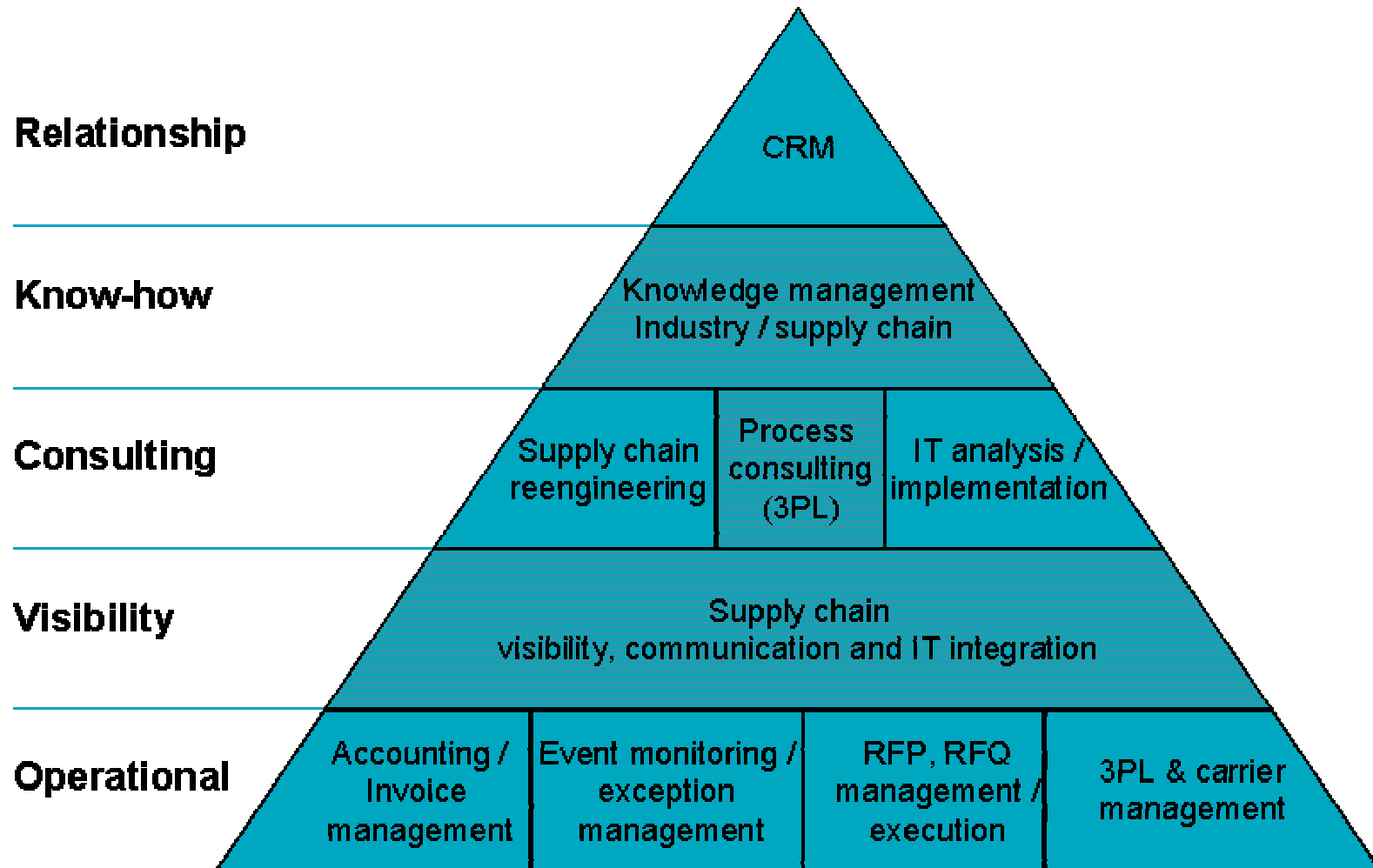


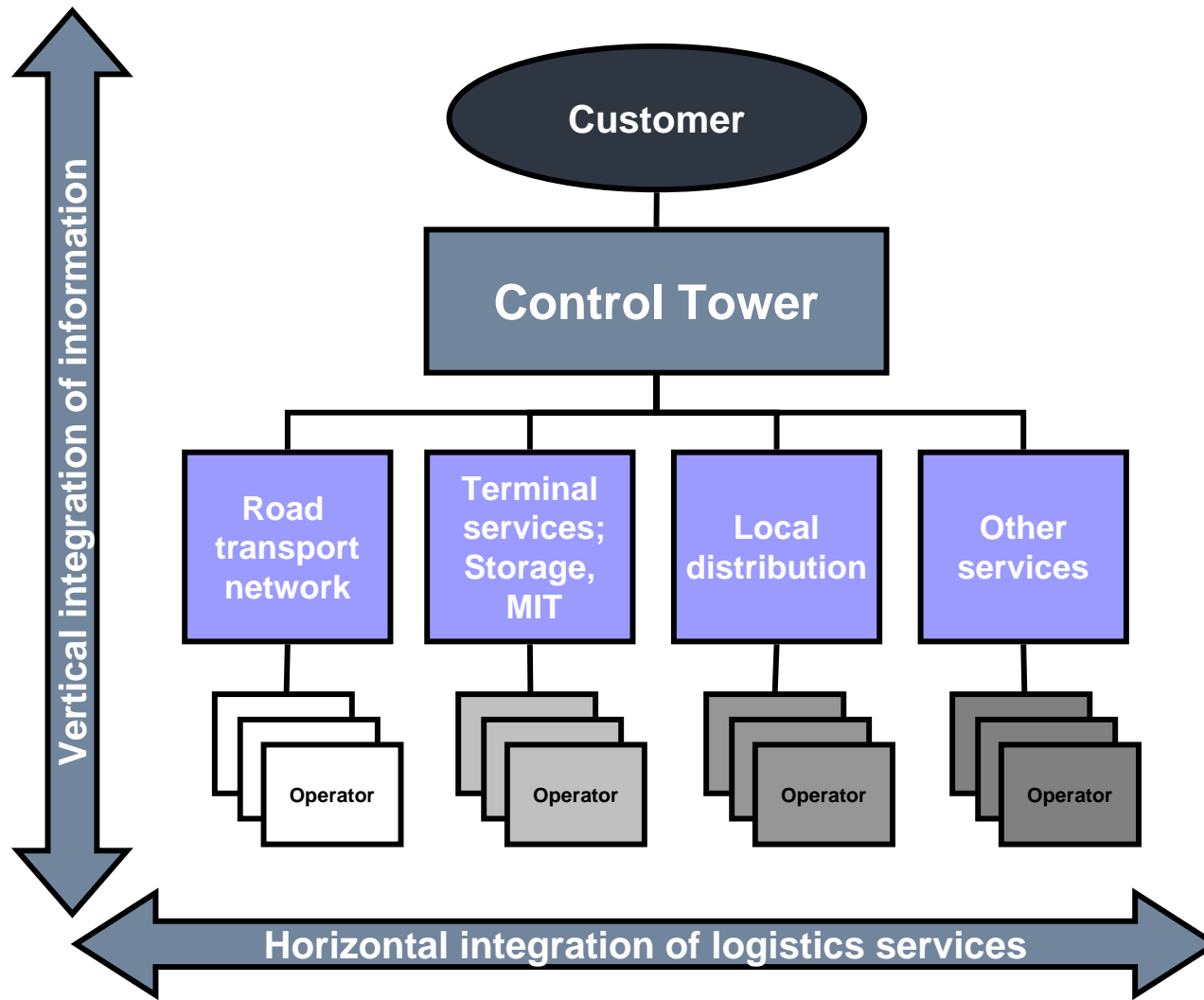
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- **We act as 1st Tier (4PL) Service Provider for all deliveries:**
  - Mutual re-design of order and distribution processes with clients
  - Continuous Supply Chain Engineering for improvement and implementation of new sites and markets
  - Contract partner for 2nd Tier (3PL) Service Providers, including continuous performance analysis and negotiations
  - Definition and monitoring of transport lanes and benchmarks
  - Exception Management, contingency routing and close follow up on KPI:s



- **The Control Tower is both a concept and entity, based on four fundamentals:**
  - 4PL mindset, the Control Tower takes on a holistic perspective, focusing on **continuous development** of best practice solutions for the client
  - Organization for **operational management** of logistics systems
  - **Business development** function for continuous process and logistics for analysis, optimization, redesign and purchasing
  - Efficient and flexible **IT** tools
    - XM TMS for operational and tactic management of complex logistics systems
    - ISY/EXAM for freight bill auditing
    - PRODISI for goods flow analysis and optimization including warehouse positioning

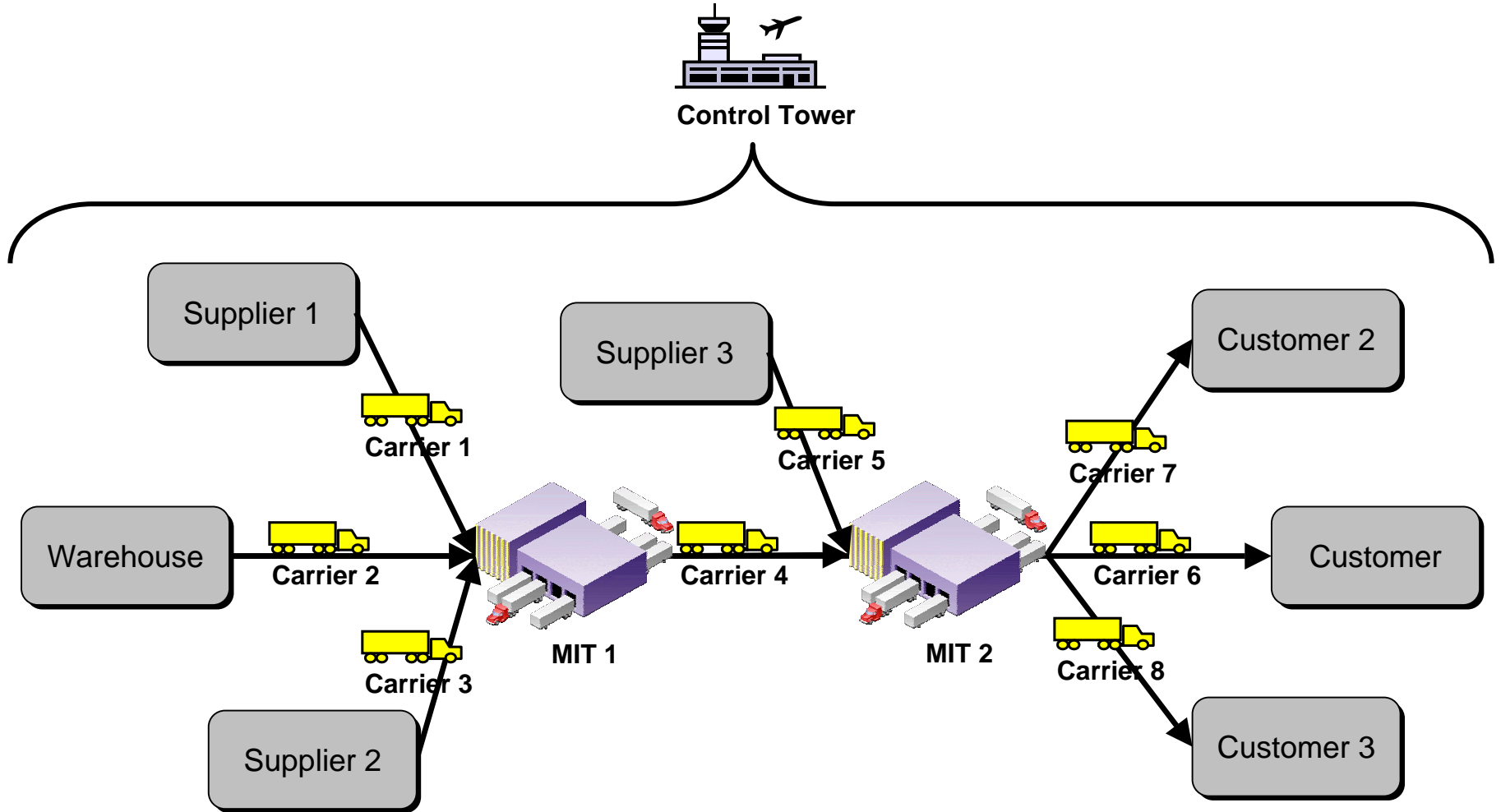


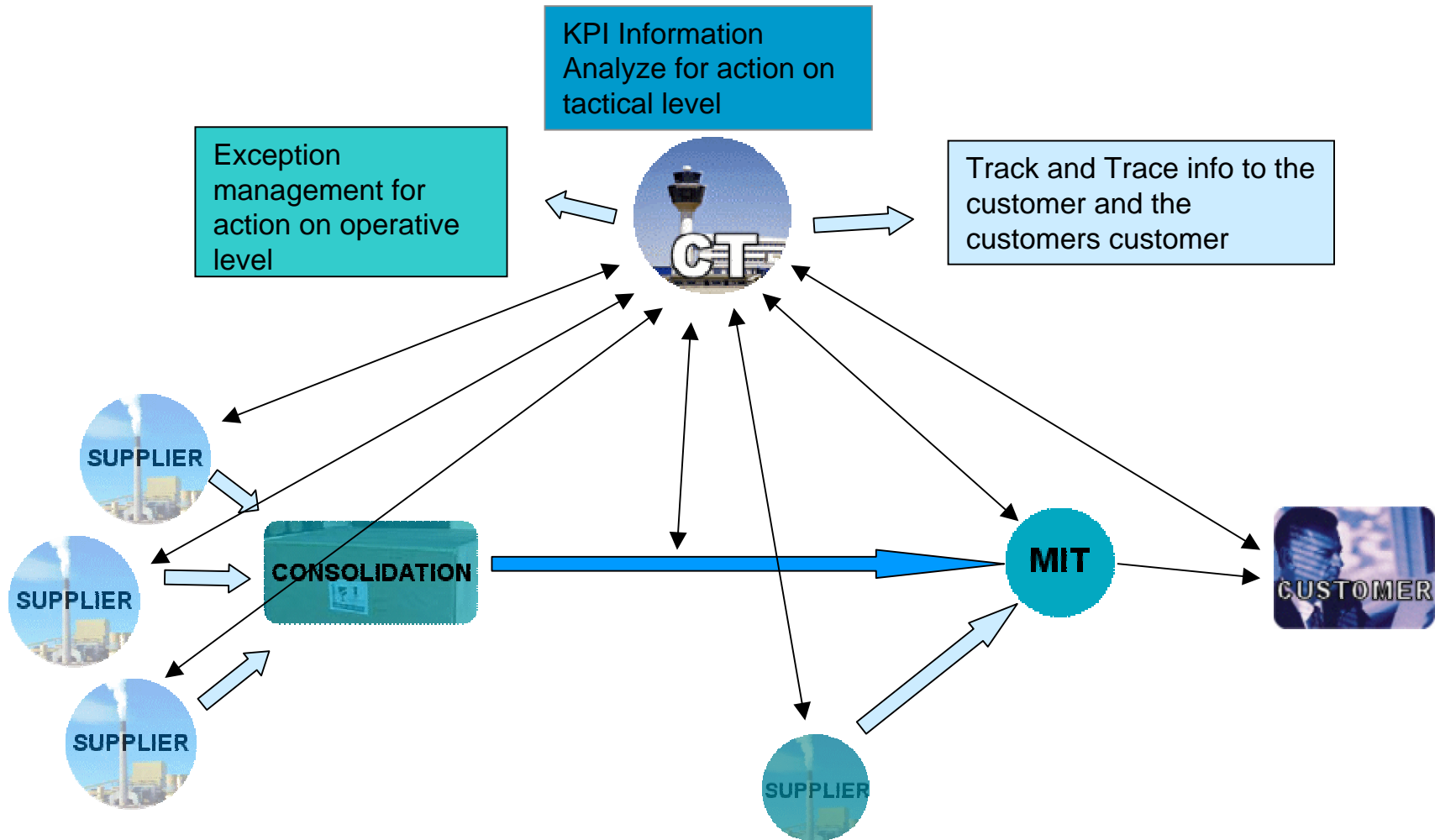


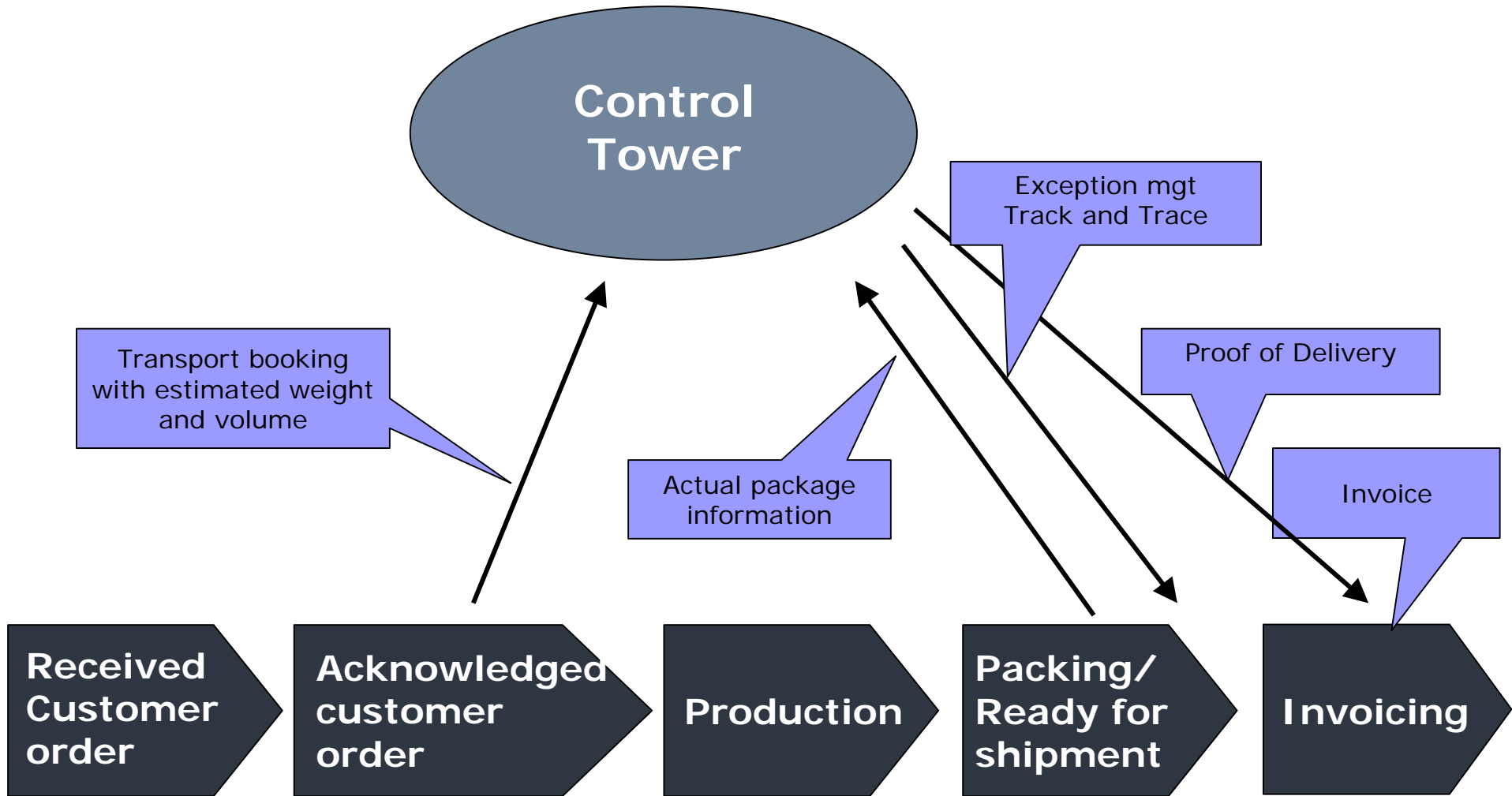
# Example of Control Tower Service Providers

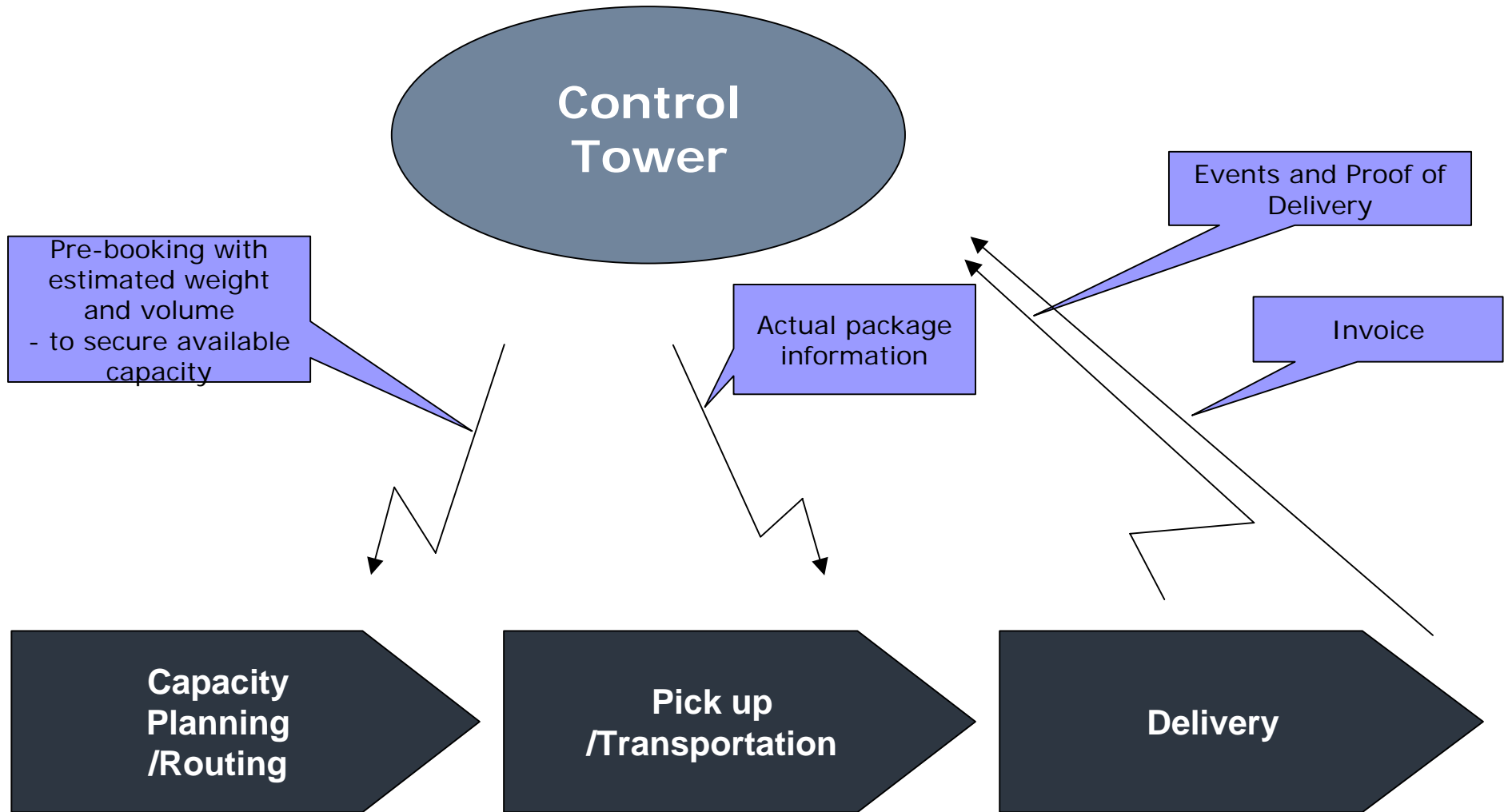
- Abr De Haan
- Adena Pickos/Jetpak
- Ahréns Åkeri
- Air Logistics
- Albaniasped
- Barsan Benelux
- Bax Global
- Burak
- Cargo Center Sweden
- Caterpillar Logistics
- Cavagh
- Combitrans
- Conroute
- Conterm Consolidation Services
- Decoexsa Irun
- Dfds Transport
- DHL
- Eagle Global Logistics
- Eimskip
- Ekberg Spedition
- Enk
- Et Link
- Euroute
- Exel
- Expeditors
- Expresstransport
- Fedex
- Finnlink
- First Cargo
- Flying Cargo
- Fracht Sweden
- Fraktarna/ DFDS
- Frans Maas
- Freja Spedition
- Fritz
- Gac - Gulf Agency Company
- Gardermoen Distribusjonsservice
- Geologistics
- Gla
- Globex Transport
- Gn Transport
- Greencarrier Scandinavia
- Guenter Wilfing
- Hansar Logistics
- Hellman Worldwide Logistics
- Hendricks Internationale Spedition Gmbh & Co. Kg.
- Herfurth Logistics
- High Tech Austria
- Hit Finland Oy
- Holship Sverige
- Idealtransporter
- Import & Tullservice
- Infotel
- Intertranspedia
- Jas Forwarding
- Jose Salvat
- Kdl
- Kgh Spedition
- Kuehne & Nagel
- Lbc Tureberg
- Legendre
- Leman International System Transport
- Mahè Freight
- Mbs Speditionsges Mbh
- Menlo Worldwide
- Mididata
- Mohlins Åkeri
- Moldtrans S.S
- Mtab
- Nils Hanssons Åkeri Ab
- Norfolkline
- Nynäshamns Skeppsmäkleri och Speditionskontor
- OCS
- Orbit
- Panalpina
- Planlog Lisboa
- PNL
- Polar Logistics
- Pol-Line
- Posten Express
- Posten Sverige
- Pro Logistics
- Pro-Fracht Sweden
- Promedi
- Rollkontor
- S.L.I S.A
- S.S.I
- Sact
- Santos Logistics
- Saudia
- Scanam
- Scanways
- Schenker
- Sea-Air Logistics
- SJ
- Sky Transport Sweden
- Smart Logistics
- Spain 3PI
- Spedition Hendricks
- Stella Transport
- Stena Lina Freight
- Stockholms Åkeri
- Storliens Gränsspedition
- Strait Air Transport
- T+T
- Tallink Sverige
- Taxi Borås
- Taxi Gävle
- Taxi Helsingborg
- Timeshuttle
- TNT
- Trans Dessert
- Trans Technopole
- Transcastells
- Transporter For Fca Shipments
- Transsped Ab
- Transweco
- Tulldeklaranterna
- UPS
- Uti - Union Trp Int
- Van Ommeren
- Wanzenried Transport
- Weco-Aircargo
- Ven Naughton Enterprise
- Wilson Logistics
- World Courier
- Yeni Antalya
- Yusen Air & Sea Service

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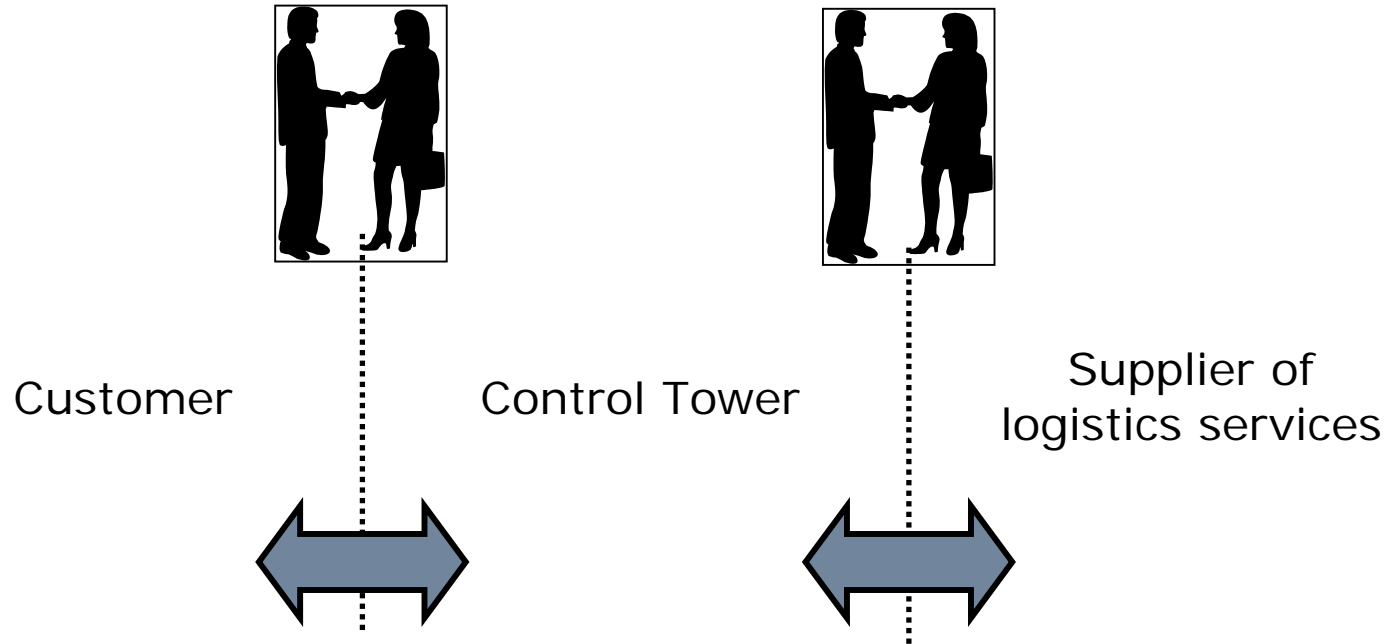




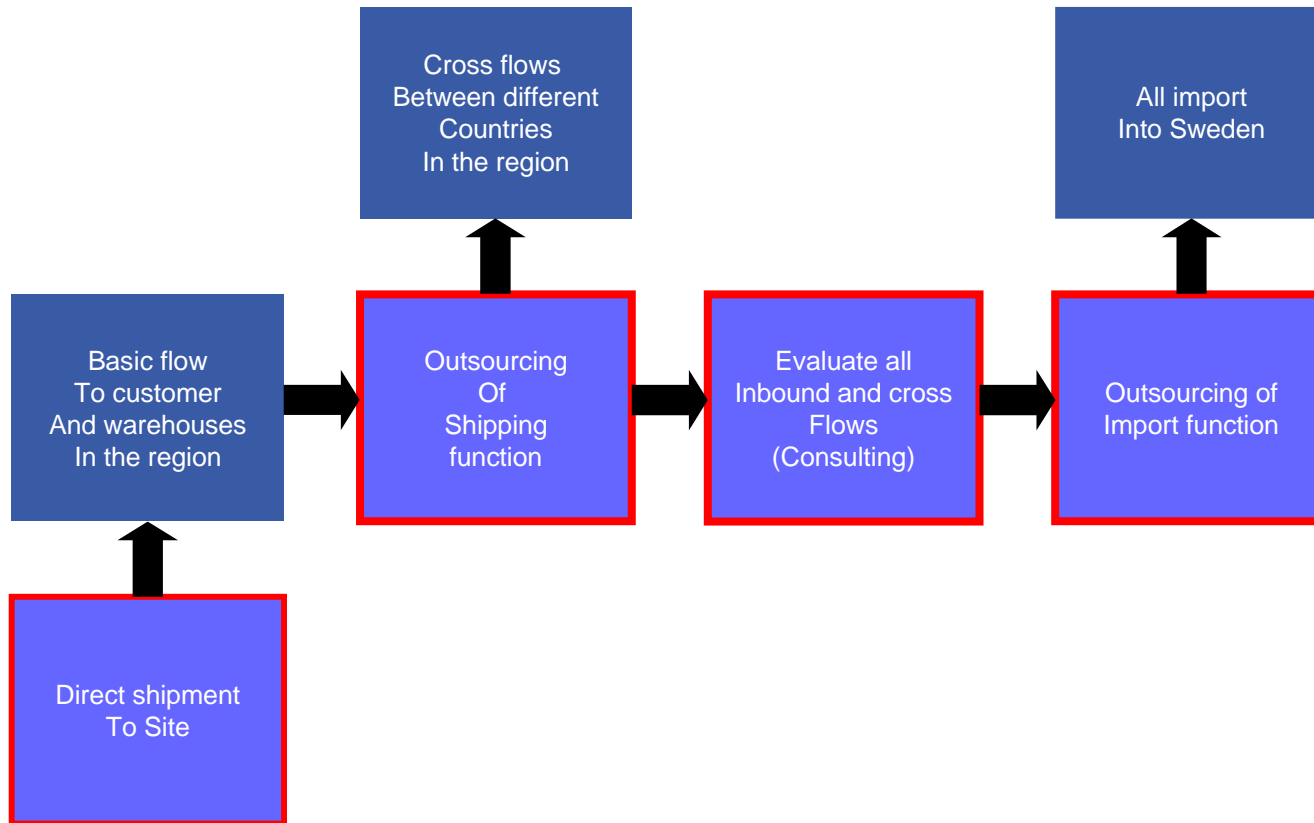








**Standard Operational Procedures (SOP)**



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## Define

- Define thorough, realistic, and measurable goals for the CT.

## Measure

- Continuous measurement of selected parameters that are directly associated with defined goals. Measures are continuously collected and reported to the part of the organization that is responsible to take action.

## Analyze

- Analysis of measures tied to systematic deviation handling is done in order to identify improvement potential and action areas. This results in action plans that states responsible team.

## Improvement

- Based on analysis, action plans for improvements are executed.

## Implement

- In order to secure that improvements are implemented long-term, supporting activities, e.g. education is performed and Standard Operational Procedures are updated.

## Follow up

- The result is followed up in order to assure that intended effects are realized. This is followed by possible redefinition of goals and continued measuring.

- **Standard KPI-reporting available via Extranet with secure login:**
  - E.g. delivery accuracy, lead-times, costs, and deviation.
- **Reporting structure:**
  - Weekly updates of KPI-reports.
  - Monthly follow-up meetings assures identification and attention to structural errors.
  - Quarterly steering-group meetings assures high quality and evolved partnership. Assessment of quality, efficiency, and improvements.



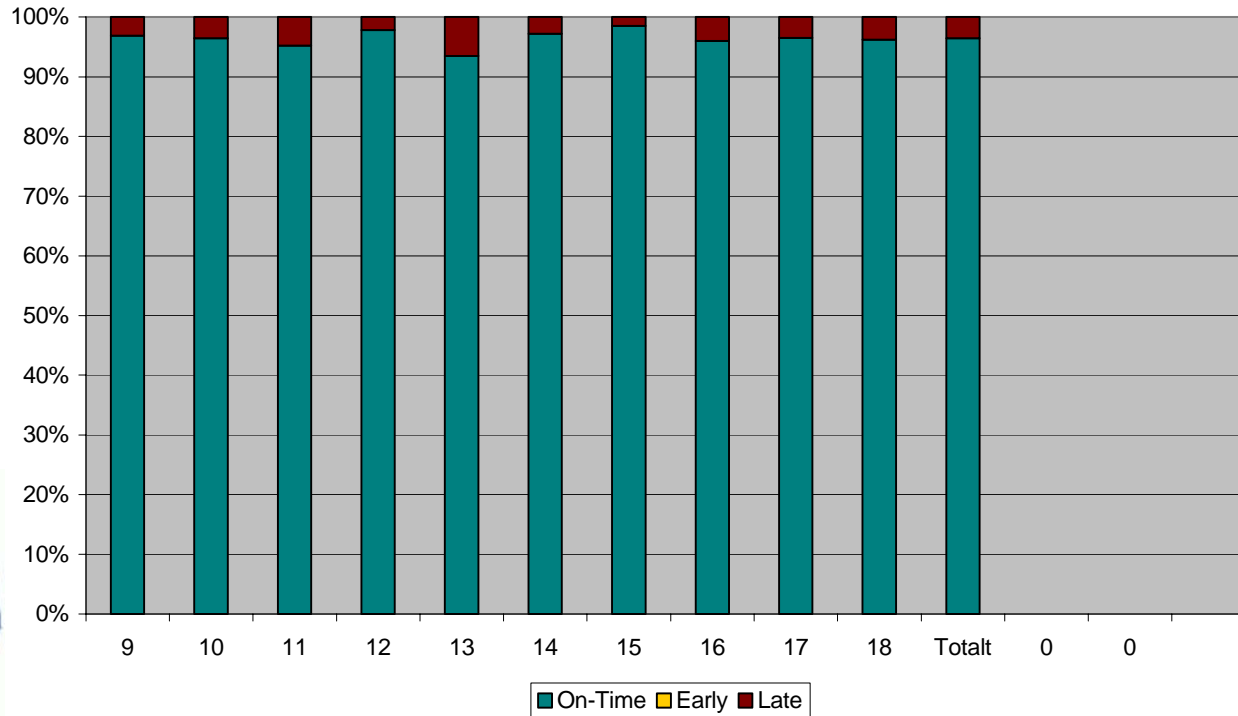
## KPI - Delivery Precision

FC	
Country of Dest.	(Alla)
Service	(Alla)
Month	(Alla)

*Definition*

Delivery precision is defined as number of shipments delivered on time compared to total number of shipments delivered.

Count of Transp. Ref	Week											Total
Precision Code.	9	10	11	12	13	14	15	16	17	18	Total	
Early												
Late		13	11	16	8	21	8	6	16	15	12	126
On-time		402	299	320	354	300	281	402	386	418	303	3465
Total		415	310	336	362	321	289	408	402	433	315	3591



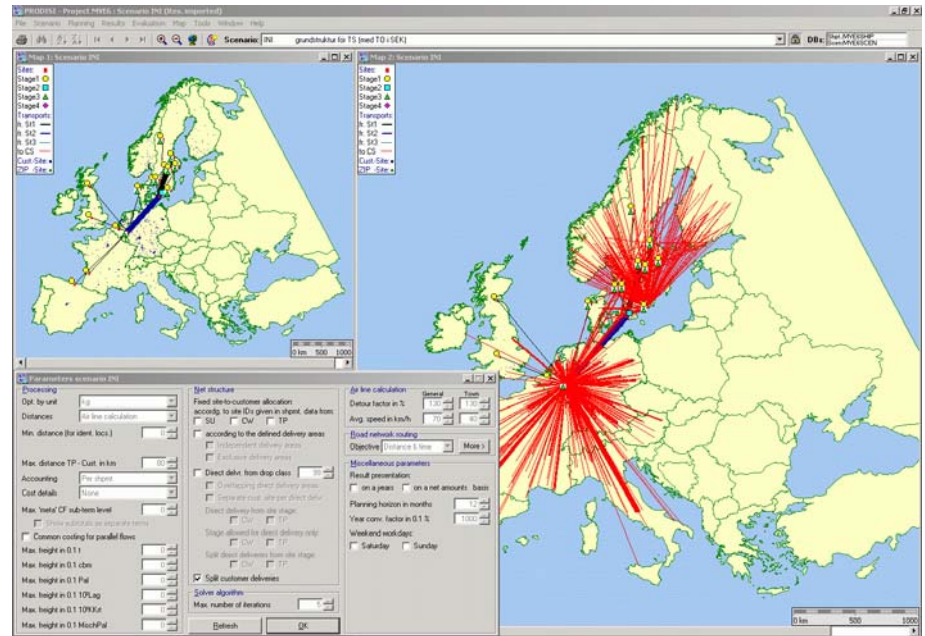
## KPI - Delivery Precision, deviations

FC	3
Country of Destination	(Alla)
Precision Code	(Alla)
Deviation Category	(Alla)
Month	(Alla)

Count of XM Order #	Week											Total
Deviation Description (configuration)	9	10	11	12	13	14	15	16	17	18		Total
Wrong lead time used in Distribution order	2	16	36	12	5	6	12	29	39	22		179
Incorrect handling of docs/booking by transporter	1	5		3	7	1		2	2	3		24
Products not available for delivery	5	3	2		3	1			1	4		19
Change of final delivery time/date	2				10	3	1	1	2			19
Closed for delivery at dest. due holiday or other	1	3	5	1				1	2	2		15
Breakdown of equipment			7	1			1	2			1	12
Weather conditions or force majeure	5		1	2	2						1	11
Wrong delivery adress stated in docs		2	1	1	1		1			1		7
Late hand-over of delivery data (call-off)	4		1	1						1		7
Held cust. Waiting for permits, inspec., payment								2	3	2		7
Heavy workload att arrival terminal/MIT point					1	3	2			1		7
<b>Totalt</b>	<b>20</b>	<b>29</b>	<b>53</b>	<b>21</b>	<b>29</b>	<b>14</b>	<b>17</b>	<b>37</b>	<b>52</b>	<b>35</b>		<b>307</b>



- The simulation software enables complex goods flow analysis and reengineering.
- It is used to develop and improve customers' logistics flow.





**Structural method and tools to evaluate existing supply chain trading partner performance and potential of new partners**

**Includes:**

- The assessment model, with assessment criteria and mutual weighting.
- The questionnaire that generate input to the model.
- The assessment database, which stores evaluation results per supplier and project.

		Suppliers						
		Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5		
	<b>Weights</b>	<b>Score</b>	<b>Score</b>	<b>Score</b>	<b>Score</b>	<b>Score</b>		
Quality	9,3	OK	OK	OK	OK	OK		
	Quality plan & measurements	5	4	3	2	1		
	Supplier quality control program	5	4	3	2	1		
	Contingency plan	5	4	3	2	1		
	Delivery documentation	5	4	3	2	1		
Organizational	3,4	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5		
	OK	OK	OK	OK	OK	OK		
	Structure of ownership	5	4	3	2	1		
	Long-term ambitions	5	4	3	2	1		
Environmental	4,2	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5		
	OK	OK	OK	OK	OK	OK		
	Environmental certificate	5	4	3	2	1		
	Environmental improvement	5	4	3	2	1		
	The environmental class of transportation vehicles and fuel	5	4	3	2	1		

**Calculate**

General information / Assessment / Result / Detailed result / Calculation

The screenshot shows a web application interface for freight cost simulation. The interface is divided into several sections:

- Carrier Selection Table:** A table with columns for 'Spediter' and 'Transportkost'. It lists six carriers with their respective costs: Carrier A (277.00), Carrier B (292.00), Carrier C (281.00), Carrier D (528.14), Carrier E (942.48), and Carrier F (1350.00).
- Form Fields:** On the left, there are input fields for 'Lastningsplats', 'Från ISO-kod', 'Från postnummer', 'Från ort', 'Lastningsdatum', 'Bruttovikt, kg', and 'Volym, kubm'. The values entered are: Lastningsplats (SE), Från ISO-kod (SE), Från postnummer (07123), Från ort (Kaståkra), Lastningsdatum (030921), Bruttovikt, kg (1.00), and Volym, kubm (0.01).
- Summary Table:** A table on the right showing various cost components and their totals. The total cost is 277.00 SEK.

Spediter	Transportkost
Carrier A	Kunde 277.00
Carrier B	Kunde 292.00
Carrier C	Kunde 281.00
Carrier D	Kunde 528.14
Carrier E	Kunde 942.48
Carrier F	LIMEHAUL 1350.00

Varuslag	Enhet	Antal	Pris	Totalt
Lastningsplats	SE			
Lastningsplats	SE			
Baknas Umslutörer	SEK			
Max. antal kubmeter	Kubm			
Max. antal pallplatser	Pallplatser			
Staffingsenhet	kg			
Antal kubmeter beaktas ej	kg			
Taxeras som	kg	0.010		
Fraktkapande vikt	kg	1.7		
All fraktkapande vikt	kg	2.00		
Samlastningsfrakt	SEK	277.00		277.00
Muddfrakt	SEK	277.00		277.00
Total frakt	SEK	277.00		277.00
Gödsäker saknas	SEK			
Total kostnad	SEK			277.00

**Cost assessment of suppliers, which is done by simulating freight charges in a software**

**Enables analysis of distribution cost per supplier by:**

- Transport flow
- Transport method
- Terms of shipment
- Weight brackets and/or type of cargo
- Etc.

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## Simplicity

- In ordering through EDI connections
- In integration of different services to the customer, single point of contact
- One invoice

## Visibility

- Full Track & Trace to all different sub-suppliers available on extranet
- In pricing – full open books
- In freight cost – prices available via extranet, or provided through EDI

## Flexibility

- No fixed assets, uses sub suppliers for warehousing, freight and other physical services.

## Continuous improvement

- KPI measurement
- Simulation tools

## Cost efficiency

- EDI connections with customers and sub suppliers with the majority of orders (booking, event reporting, invoicing)
- Automated invoice control, prepared for self billing
- One-touch in order management for simple flows

## High reliability

- Structured SOP's
- Cleaned processes
- Exception management
- Measurement of deviations followed by action activities
- Full follow up in the flow
- Structured Supplier assessment and follow up

**Thank you!**

