November/December 2024

LOGISTICSNEWS

The Independent Voice of the Supply Chain Industry

New chapter for Logistics News

Finding the way through the maze of logistics costs

20 INVENTORY MANAGEMENT STRATEGIES

6 IMPERATIVES FOR SELECTING SUPPLY CHAIN IT

9 Effective Strategies for Managing Warehouse Labour and Reducing Costs

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9 Effective Strategies for Managing Warehouse Labour and Reducing Costs

by Alan Richard, Apex Real Time Solutions

In the fast-paced realm of warehouse operations, the synergy between efficient workforce management and cost reduction holds the key to sustainable success. Navigating this dynamic landscape requires a strategic approach, where the ability of a warehouse management system becomes critical. As organisations strive to optimise operations and enhance profitability, the role of a comprehensive warehouse management solution becomes crucial.

In this article, we delve into nine practical strategies that not only streamline the management of warehouse staff but also drive down operational costs. From crafting accurate labour forecasts and empowering employees through training to mastering staff scheduling, each strategy is a puzzle piece that contributes to the bigger picture of a well-oiled warehouse.

We will further discuss the intricacies of these strategies and explore how combining the technology and best practices can lead to unparalleled efficiency gains and substantial cost savings.

1. Develop accurate labour forecasts

In the face of ongoing labour challenges, optimising the productivity of every warehouse employee is essential. With the inclusion of advanced forecasting techniques within their Warehouse Management System (WMS), organisations can analyse historical data and seasonal trends. The information gained empowers managers to generate accurate labour projections.

Through a harmonious integration of labour expert solutions, you not only manage labour but also gain insights that fine-tune your forecasts, reducing costs and boosting efficiency.

2. Implement employee training programs

Employee training plays a pivotal role in skills development, error reduction, and fostering a culture of continuous improvement. Training requires that operational staff understand equipment usage, safety protocols, inventory management, and their essential work duties within the warehouse environment.

Warehouse management solutions have advanced analytics and purposeful technology designed to maximise warehouse uptime. With its suite of supply chain execution software, including labour management, the WMS equips businesses to pivot quickly, offering an intuitive tool that supports change for improved warehouse performance. By integrating solutions, companies can efficiently train their workforce for enhanced productivity and competency.

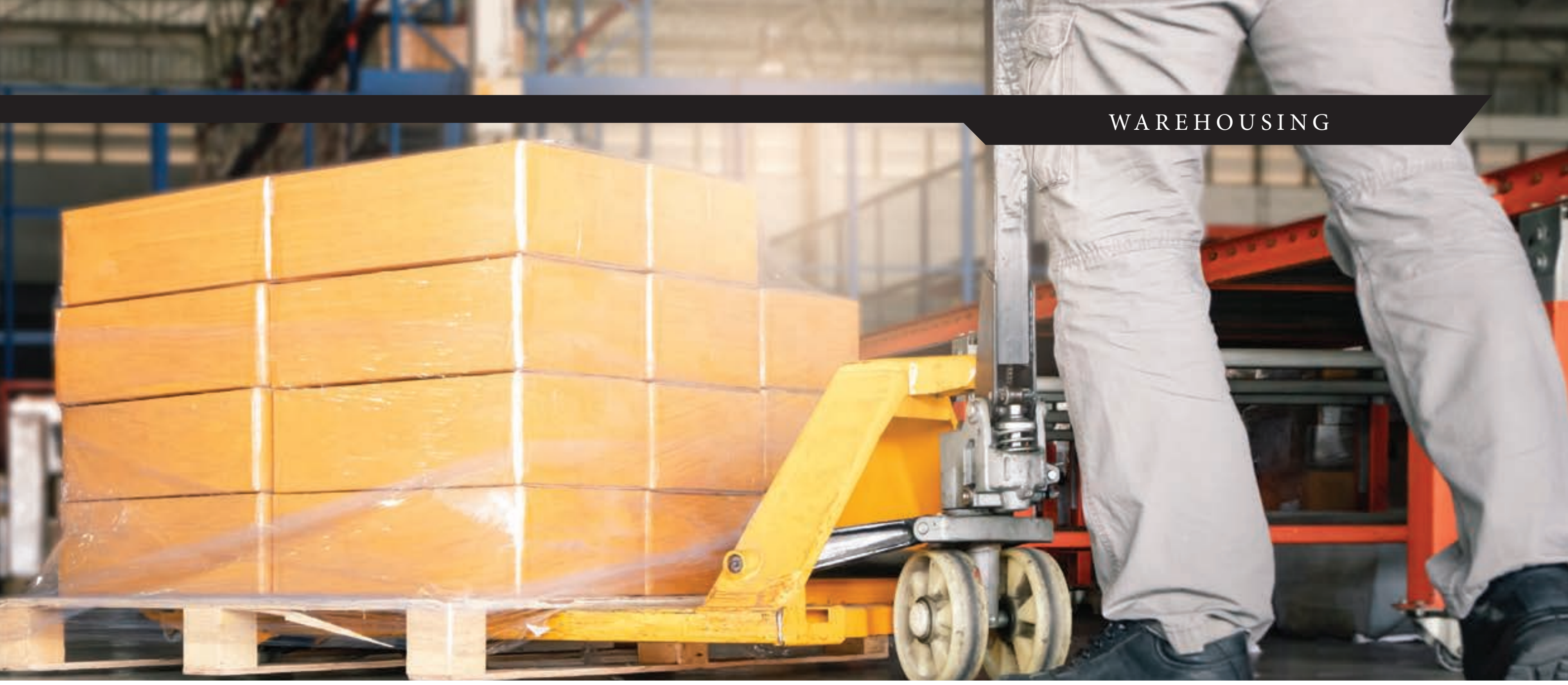
3. Optimise staff scheduling

Strategically aligning labour requirements with shifts in workload helps managers to efficiently allocate worker resources, mitigating the risk of understaffing during peak demand and overstaffing during quieter periods. This equilibrium not only reduces labour expenses but also upholds heightened productivity levels.

Advanced analytics and purposeful technology contribute to this synergy, enabling warehouses to adapt quickly to evolving client needs. With minimal reliance on additional professional services, warehouse management software empowers businesses to optimise their staff scheduling, ensuring the right personnel are in place at the right times for enhanced productivity and cost savings.

4. Monitor employee performance

It is essential to regularly assess employee performance to spot



opportunities for development and honour high performers. Supervisors can provide constructive criticism, offer incentives for exceptional performance, and design training programs catered to particular requirements by creating clear performance indicators and using data-driven analysis.

A warehouse labour standard solution module in a WMS promotes an effective and high-performing workforce by enabling continuous productivity monitoring, measuring performance against objectives, and identifying areas for improvement.

5. Use technology to streamline processes

Leveraging technology to streamline warehouse processes is pivotal for operational efficiency. Automation, barcode scanning, and RFID technology implementation enhance inventory tracking accuracy while reducing manual errors. Made4Net's advanced warehouse management solutions integrate these technologies to optimise resource utilisation and streamline operations. With real-time insights, goal tracking, and advanced reporting, this purposeful technology saves time and money and drives employee engagement, marking a significant step towards streamlined, tech-powered warehouse excellence.

6. Consider implementing a high-performing WMS

A high-performing warehouse management system acts as the engine of efficient warehouse operations. Centralising and automating tasks enables real-time order tracking, streamlined inventory management, and insightful data analytics. A robust WMS empowers businesses to operate efficiently, maintaining precise inventory control while optimising costs.

7. Promote employee engagement and retention

Developing a supportive workplace culture that encourages employee engagement and retention is critical to lower turnover costs. Employers can increase employee loyalty and happiness by implementing recognition programs, providing professional growth opportunities, and promoting open communication. Content and engaged employees are more productive and less likely to seek work elsewhere.

8. Prioritise workplace safety

Prioritising workplace safety is both morally necessary and economically advantageous. Employee morale and motivation are both increased in a safe workplace. Regular safety training, providing appropriate personal protective equipment (PPE), and the upkeep of a tidy and organised workstation can considerably lower the likelihood of accidents and the expenses involved.

9. Continuously review and improve processes

Since warehouse management is an area that is constantly changing, companies must continuously assess their procedures for room for improvement. WMS-integrated solutions empower businesses to stay ahead by embracing continuous development. It enables managers to find areas for improvement by routinely analysing data, getting feedback from staff members, and comparing it against industry norms. This approach keeps you competitive and drives cost reduction and overall efficiency.

Conclusion

The link between efficient labour and cost savings is vital in warehouse management. By implementing the strategies discussed, businesses can unlock heightened efficiency, reduce expenses, and enhance productivity. Each approach, from accurate labour forecasting to technology-driven automation, is crucial in reshaping warehouse operations. •

A new chapter for Logistics News

Vicenda finalizes agreement to acquire Logistics News, bringing two respected brands under a single roof.

For 40 years, Logistics News has been the leading publication in South Africa for the logistics & supply chain industry. With a strong focus on reader-value, the publication has consistently offered relevant insights and valuable content for local supply chain professionals.

Under the stewardship of the late Dianne Holton, the publication grew in strength over the last three decades - in parallel with the industry it supported. Diane was also instrumental in running and elevating the Logistics Achiever Awards to become the premiere awards function for the supply chain industry. The awards are now hosted by GIBS.

After a period of working in partnership with Logistics News, Vicenda is pleased to announce the formal acquisition of Logistics News.

"Logistics News is a respected brand and a perfect fit to complement the range of services that Vicenda currently delivers to the industry. We plan to expand on the range of content currently published in Logistics News, as well as introduce exciting new platforms to engage with the industry through a variety of media & events," shared Karl Murray, Managing Director of Vicenda and now Managing Editor of Logistics News

Both brands have an established reach into the industry resulting in a combined subscriber database of over 18 000 industry professionals.

Since 2005, Vicenda has provided local supply chain practitioners with industry events to keep them informed and up to date with the latest industry trends. Their workshops, summits and breakfast events have consistently brought together respected industry experts and seasoned practitioners to share their knowledge, experience and insight.

"We look forward to continuing to share content that delivers value to all our subscribers. We invite members of the industry that have value to offer, to reach out and share their perspectives, experience and insights with our readers and the industry at large," concluded Karl. •

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Navigating the maze of logistics costs

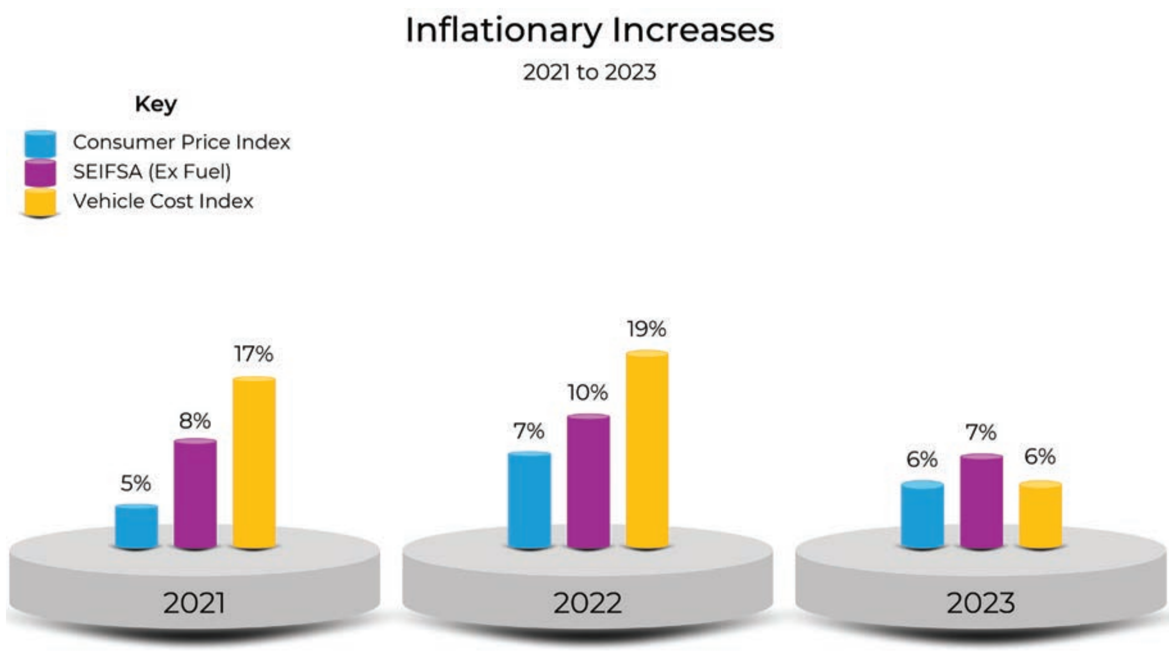
By Carsten Schubert, Director: Sales & Operations at Transnova

Navigating the maze of transport costs in South Africa is a challenge facing both manufacturers and their distribution partners and requires a nuanced understanding of the challenges faced by both parties.

In the ever-changing world of logistics in southern Africa, transportation costs play a significant role and remain a constant source of pressure for both companies that manufacture goods and transport companies that distribute these goods to the market. These costs impact supply chains, affect profit margins and ultimately influence the competitiveness of the entire economy. It's essential for any business that wants to succeed in this environment to understand how transport costs are determined and how to navigate their complexities.

A quest for value in a costly maze

South African companies across all industries are always on the lookout for efficient transportation solutions, but it is a constant struggle. Inflation has a significant impact, fuel prices are continuously on the rise and the ongoing challenges of crime and a lack of investment in key infrastructure put immense pressure on manufacturers to get the most value out of every rand spent on transportation.



The Road Freight Association Vehicle Cost Index – All Concepts. https://rfa.co.za/SA/vehicle-cost-index-_-all-concepts/ (5 February 2023).

A clear correlation between the diesel price, consumer price index (CPI) and Steel and Engineering Industries Federation of Southern Africa (SEIFSA) indices is evident in the graphic on page 6. While most companies apply the CPI as the non-fuel inflationary metric when negotiating transportation contracts, the SEIFSA L2 index better represents the actual transport cost basket. The SEIFSA L2 index comprises labour, tyres and tubes, spares/stores, amortisation and indirect costs – the real-world costs that transporters deal with daily. The more applicable SEIFSA L2 index has averaged 2.4 percent higher than CPI over the previous three years, impacting the profitability of transport companies that have to absorb this differential in real transport cost increases.

For South African transport companies, the rising cost of labour, procuring new and replacement fleets, fuel, tyres and vehicle maintenance eat into already tight margins. The impact of crime on their operations is ever-present, with hijackings, looting and cargo theft adding a layer of uncertainty and cost, resulting in significant increases in insurance premiums.

According to the South African Road Freight Association Vehicle Cost Index (VCI), a prime mover (truck tractor) and semi-trailer cost increased from R2.60m in 2021 to R3.55m in 2023. This means that in only three years, the cost of purchasing a new/replacement vehicle combination has increased by 36 percent, whilst the cost of capital has increased by a staggering 137 percent. Two other large expense items, tyres and maintenance, have increased by 56 percent and 51 percent over the same three-year period.

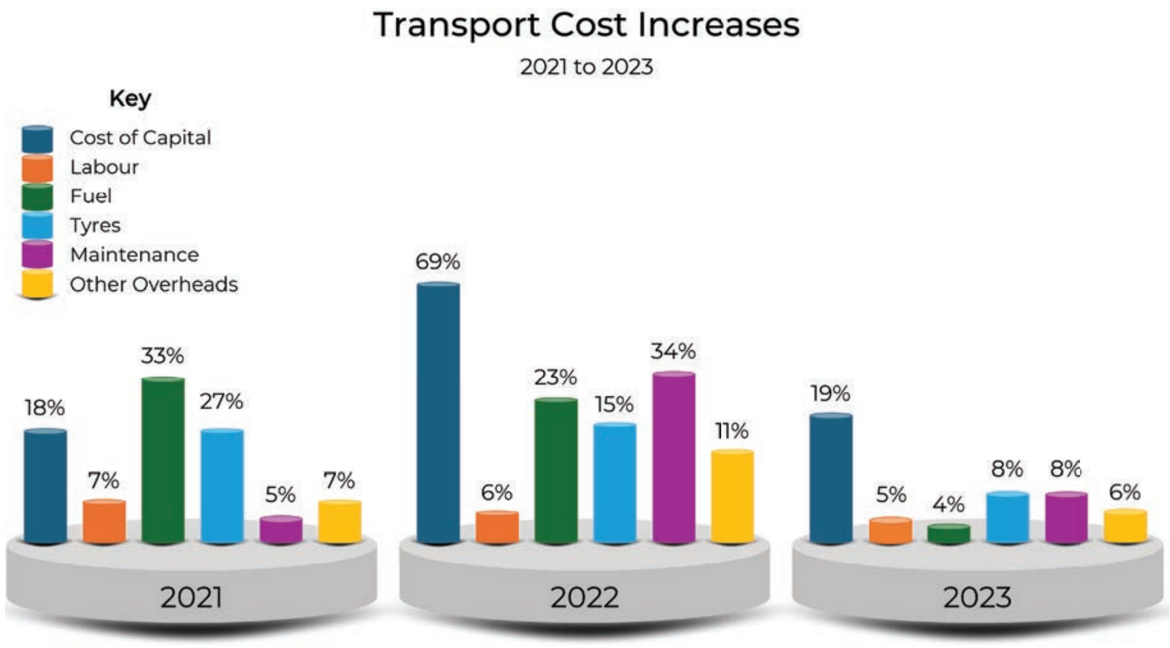
Another significant challenge that transport companies face is the cost of diesel. Many transport companies that operate on COD at best have secured 14- or 30-day terms with fuel suppliers, whilst the trend from manufacturers is to extend payment terms from 30 to 60 days. Some global corporations only offer 120-day payment terms, which makes managing cash flow a nightmare for transport owners.

The specific cost items that comprise owning and operating a truck tractor and trailer combination are illustrated below (note that the increase in cost of capital in 2022 is largely due to increases in the asset price and higher interest rates).

Rates benchmarking: a beacon in the murky waters

Rates benchmarking is a valuable tool for both companies and their transport service providers to gain better insights into the murky waters of transport costs. By comparing transport rates to market averages, both parties can identify potential issues and negotiate more effectively.

Transport rates benchmarking involves analysing actual transport rates against market averages for similar shipments – a like for like comparison is essential here. This process requires collecting data on relevant shipments, including origin,



RFA Vehicle Cost Index Concept (18 December, 2023).

destination, cargo type, volume, lead times and any special requirements. Then, benchmarking platforms, industry reports or specialised logistics consultancies can be used to access market data for comparable routes and scenarios.

It is essential to consider several crucial factors while comparing actual rates to benchmark rates. Are the shipments exactly alike? Do they both involve the same type of transport and lead time? How do the compared regions' fuel prices, infrastructure conditions and regulatory environments differ? These nuances must be factored in to ensure a balanced and meaningful comparison.

Interpreting the results goes beyond identifying deviations from the benchmark. It is necessary to consider the reasons behind any discrepancies. Are higher rates justified by exceptional service, specialised equipment or faster delivery times? Conversely, always bear in mind that the lowest market rates might carry hidden costs or potential risks that are not immediately apparent.

Ultimately, rates benchmarking is a powerful tool for understanding your position in the market, negotiating with your transport service providers or customer and optimising your transport costs. By meticulously analysing the data and factoring in the broader context, you can confidently navigate the complex world of transport pricing and make informed decisions that drive cost-efficiency and business success.

Beyond rates: a holistic approach to cost reduction

However, rate benchmarking is just one piece of the puzzle. A holistic approach to cost reduction requires a collaborative effort from both manufacturers and transporters.

Manufacturers can optimise their processes by:

Centralising transportation management. Defining a robust transport strategy that complements the overall business strategy, consolidating volume with fewer providers, can lead to better rates and improved efficiency.

Adopting leading technology solutions. Utilising platforms for load allocation, route optimisation and real-time tracking can streamline operations and reduce costs.

Collaborating with transporters. Building strong relationships, open communication and transparent reporting can lead to mutually beneficial solutions.

Improving supply chain efficiencies. Removing non-value-adding processes to eliminate waste and improve vehicle turnaround times at loading and offloading points.

Transporters, in turn, can:

Invest in efficient equipment. Newer trucks with fuel-efficient technologies and proper maintenance can significantly reduce fuel costs.

Diversify revenue streams. Exploring specialised services like refrigerated transport or door-to-door delivery can offer new growth opportunities.

Embrace technology. Adopting telematics, integrated mobile applications and route planning tools can improve efficiency and reduce risk.

Embracing the digital age: how technology empowers cost-efficient transport in South Africa

In the realm of South African logistics where every rand counts, technology emerges as a potent weapon in the battle against soaring transport costs. Embracing digital solutions isn't just a fad, it's a strategic imperative for both manufacturers and transporters seeking to optimise operations, trim expenses and stay ahead of the curve.

Manufacturers: Harnessing the power of transportation management systems (TMS)

For South African manufacturers, a robust TMS becomes an indispensable companion. A TMS unlocks a treasure trove of cost-saving features, from streamlined procurement and route optimisation to real-time shipment tracking and automated invoice reconciliation.

Centralised visibility. No more juggling spreadsheets, WhatsApp groups and phone calls. A TMS provides a single platform for managing all transportation needs, offering holistic visibility into routes, costs and performance. This empowers companies to identify inefficiencies, negotiate better rates and optimise transportation budgets.

Route optimisation. Gone are the days of inefficient, meandering routes. Advanced algorithms in TMS software suggest the most cost-effective and time-efficient paths, considering factors such as traffic patterns, fuel consumption and driver compliance. This translates to reduced fuel costs, faster delivery times and happier customers.

Real-time visibility. Companies no longer need to hold their breath, anxiously awaiting updates on their cargo. Real-time tracking offered by TMS solutions reveals the exact location of shipments, providing peace of mind and enabling proactive interventions in case of delays or unforeseen events.

Transporters: mobile apps fuelling operational efficiency

For South African transporters, mobile apps have become more than just convenient tools, they are catalysts for operational efficiency and cost reduction.

Driver management. Apps can streamline driver communication, dispatch assignments and track hours of service, ensuring compliance and optimising driver resource allocation. This promotes driver satisfaction, minimises overtime costs and enhances overall efficiency.

Paperless workflows. Ditch the mountains of paperwork. Mobile apps enable digital document capture, invoice processing and expense management, eliminating manual effort and reducing administrative costs. This translates to faster turnaround times, improved accuracy and happier drivers.

Predictive maintenance. Proactive maintenance is key to avoiding costly breakdowns and delays. Mobile apps with AI-powered features can monitor vehicle health, predict potential issues and schedule preventive maintenance, minimising downtime and maximising vehicle uptime.

Real-time execution management tools: a shared vision for success

For both manufacturers and transporters, real-time execution management tools act as a bridge, fostering seamless collaboration and cost-effective execution.

Shared visibility. A single platform allows both parties to see the same real-time data on shipments, enabling proactive problem-solving and efficient communication. This promotes trust, builds strong partnerships and eliminates finger-pointing in case of delays or issues.

Exception management. Unexpected events are inevitable. Real-time software solutions provide instant alerts for deviations from planned routes, delays or potential security threats. This allows both parties to react quickly, minimise disruptions and mitigate potential losses.

Continuous improvement. Data is the lifeblood of improvement. These tools capture valuable data on routes, performance and costs, providing insights for both manufacturers and transporters to continuously optimise their operations and identify areas for further cost reduction.

The road ahead: embracing technology for a collaborative future

By embracing technology and putting the right business processes in place, manufacturers and transporters can transform the South African logistics landscape from a minefield of inefficiencies into a highway of cost-effective excellence. Collaboration, data-driven decisions and shared commitment to digital solutions are the cornerstones of future success.

The future belongs to those companies that embrace innovation and agility. In the face of rising costs and a dynamic economic landscape, South African logistics can only thrive by harnessing the power of technology, one TMS platform, one mobile app and one real-time data point at a time.

Let's pave the way for a future where transport costs are not roadblocks, but catalysts for growth, spurred by the shared vision of a lean, efficient and globally competitive South African logistics ecosystem.

The South African context: a call for collective action

The unique challenges of the South African landscape demand a collective approach to tackling transport costs. Government intervention in infrastructure development, crime reduction and fuel price regulation can provide a much-needed boost.

Manufacturers and transporters can collaborate to advocate for these changes while fostering a culture of open communication and transparency within the industry. By working together, the industry can create a more efficient and cost-effective transport ecosystem that benefits all stakeholders and drives South Africa's economic growth.

In conclusion, by embracing transparency, leveraging technology and fostering collaboration, we can unlock cost-saving opportunities and build a more resilient and competitive logistics sector. Only then can we truly harness the power of efficient transport to drive South Africa's economic engine forward. •

20 inventory management strategies to improve stock efficiency

Contributed by Netstock, www.netstock.com

Discover the top 20 types of inventory management strategies, their significance and why implementing them is crucial for businesses.

In modern business, inventory management strategies have become exceedingly important in helping ensure operational efficiency, customer satisfaction and financial success, making them a marker of business success. That is why businesses across industries constantly seek to discover methods for inventory management that optimise their stock levels and streamline their supply chain operations, offering a path to greater success.

In simplest terms, an inventory management strategy refers to a set of practices that aid in planning and overseeing inventory procurement, management and utilisation. Additionally, an operations strategy for inventory management ensures that these processes are executed by maximising efficiency and minimising costs, allowing the business to make informed decisions regarding replenishment cycles, stock levels and supply chain optimisation.

Why implement an inventory management strategy?

Implementing effective inventory management strategies becomes necessary if the business wants to achieve operational excellence, maintain competitiveness and meet the ever-changing demands of the market. Inventory management strategies provide the following five benefits:

1. Cost reduction and efficiency improvement

Having an optimised methodology for inventory management helps a company minimise carrying costs, reduce the risk of stock-outs and streamline supply chain operations. This, in turn, enhances the business's overall cost-effectiveness and operational structure.

2. Optimising inventory levels

With methods for inventory management, such as demand forecasting and inventory optimisation, businesses can also maintain an optimal level of inventory that aligns with demand, which will minimise excess inventory and maximise the utilisation of resources.

3. Minimising stock-outs and overstock situations

When you run a business, being able to minimise stock-outs and reduce excess stock is crucial for maintaining optimal inventory levels. Using some of the top stock management strategies, you can effectively mitigate these risks.

4. Enhancing customer satisfaction

Customer-based inventory management strategies lead to greater customer satisfaction and loyalty via timely order fulfilment and product availability, ultimately driving business growth and success.

5. Streamlining operations

By using technology and data analytics in inventory management strategies, businesses can streamline processes and use resources more efficiently, helping them become more agile and competitive.

20 inventory management strategies

1. Demand planning

Demand planning is an operations strategy for inventory management that involves forecasting future customer demand for products or services, which then helps businesses anticipate demand accurately and optimise inventory levels.

By incorporating demand planning into their toolkit, businesses can minimise stock-outs, reduce excess inventory and improve overall inventory turnover. For example, in retail inventory management, demand planning accurately predicts the level of inventory required for seasonal products.

Pros:

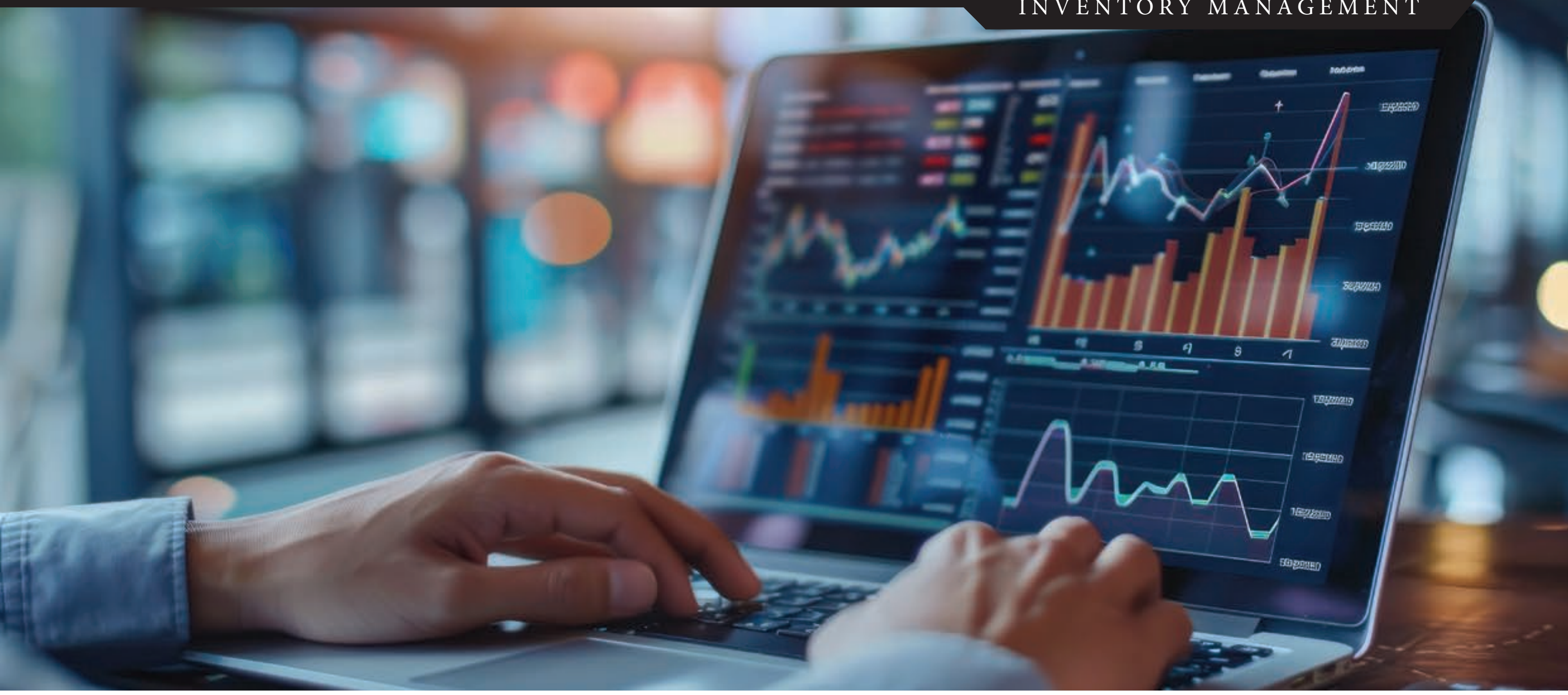
- Enhanced customer satisfaction.
- Optimised inventory levels.
- Improved resource allocation.

Cons:

- Reliance on accurate demand forecasts.
- Potential for forecasting errors.

2. Inventory optimisation

Inventory optimisation involves determining the optimal levels of



inventory by considering factors such as lead times, demand variability and cost constraints. This strategy enables a business to strike a balance between holding costs and customer service levels. For instance, a manufacturer may utilise inventory optimisation and employ inventory optimisation software to adjust safety stock levels based on fluctuations in demand variability and lead times.

Pros:
- Improved inventory turnover.
- Reduced holding costs.
- Enhanced operational efficiency.

Cons:
- Complexity in implementation.
- Dependency on accurate data and algorithms.

3. Inventory ordering

One of the most crucial stock management strategies is inventory ordering, which means determining when and how much inventory to reorder from suppliers to maintain your stock levels. This is important in helping avoid stock-outs and minimising excesses. For example, a distributor uses automated inventory ordering systems to generate purchase orders based on predefined reorder points and supplier lead times.

Pros:
- Streamlined procurement processes.
- Improved inventory availability.
- Reduced stock-outs.

Cons:
- Dependency on accurate demand forecasts.
- Potential for overordering or underordering.

4. Supplier performance monitoring

Supplier performance monitoring allows one to evaluate suppliers' performance for factors like delivery reliability, quality and responsiveness. This is essential for standardisation, smooth operation and addressing problems like late deliveries, quality defects and communication gaps. For instance, manufacturers track supplier delivery times and quality ratings to mitigate supply chain disruptions.

Pros:
- Improved supply chain visibility.
- Enhanced supplier relationships.
- Reduced risk of supply disruptions.

Cons:
- Dependency on accurate performance metrics.
- Potential for supplier disputes.

5. ABC analysis

Another valuable technique is ABC analysis, a method used in inventory management to classify items into three categories based on their importance and contribution to overall sales. This strategy assists businesses in optimising resource allocation. For instance, a retailer may apply this approach to adjust inventory levels for category A items, which typically have high sales volume and profitability.

Pros:
- Prioritisation of inventory management efforts.
- Optimised resource allocation.
- Improved inventory turnover.

Cons:
- Complexity in categorisation.
- Potential for overlooking lower-value items.

6. Safety stock

Safety stock means holding extra inventory readily available in your warehouse to limit the risk of stock-outs caused by demand variability or supply disruptions. This inventory strategy in supply chain management provides a buffer to ensure continuity in your operations and customer satisfaction. For instance, a distributor can use this strategy to react to and accommodate sudden spikes in customer orders, especially when supplier delays occur.

Pros:
- Risk mitigation.
- Improved customer service levels.
- Enhanced supply chain resilience.

Cons:
- Increased holding costs.
- Potential for excess inventory.

7. Inventory forecasting

Another method of inventory management is forecasting, which means predicting the future – much like demand planning. This strategy covers the demand for goods. Manufacturers using inventory forecasting models can anticipate seasonal demand fluctuations and adjust production schedules accordingly to optimise inventory levels, reduce stock-outs and improve customer satisfaction.

Pros:
- Improved inventory accuracy.
- Better resource allocation.
- Enhanced supply chain efficiency.

Cons:
- Dependency on accurate data and forecasting models.
- Potential for forecasting errors.

8. PAR levels

Periodic automatic replenishment (PAR) levels refer to predetermined inventory thresholds that trigger automatic replenishment orders when reached. This helps businesses retain consistency of stock levels and reduce any manual inventory management steps. For example, a health care facility can set PAR levels for medical supplies to ensure uninterrupted patient care via efficiency in inventory management without having to look at it themselves.

Pros:
- Automated replenishment.
- Reduced stock-outs.

Cons:
- Dependency on accurate PAR level settings.
- Potential for overstocking.

9. Just-in-time (JIT) inventory

Just-in-time (JIT) inventory strategy minimises the holding costs since it works by ordering and receiving inventory only when production or customer orders require it. This inventory management strategy reduces waste, streamlines the supply chain operations and increases efficiency.

Pros:
- Reduced inventory holding costs.
- Improved cash flow.
- Enhanced efficiency.

Cons:
- Dependency on reliable suppliers.
- Risk of stock-outs during supply disruptions.

10. Dropshipping

Dropshipping is a method where retailers sell products without stocking inventory. Instead, they rely on suppliers directly fulfilling customers' orders, offering a flexible and cost-saving option that removes the need for inventory management entirely. Here, e-commerce retailers will team up with dropshipping suppliers to broaden their product range and enhance customer retention and satisfaction.

Pros:
- Reduced inventory management overhead.
- Expanded product offerings.
- Cost savings.

Cons:
- Limited control over product availability and shipping.
- Reliance on supplier reliability.

11. Cross-docking

Cross-docking unloads incoming goods from suppliers from inbound vehicles and loads them directly onto outbound vehicles. It minimises warehousing and storage needs, such as distribution centres that transfer products from docks to outbound trucks to happy customers.

Pros:
- Reduced warehousing costs.
- Improved order fulfilment speed.
- Enhanced supply chain efficiency.

Cons:
- Dependency on efficient logistics operations.
- Potential for increased transportation costs.

12. FIFO and LIFO

First-in, first-out (FIFO) and last-in, first-out (LIFO) are customer-based inventory management strategies that determine the

cost of goods sold and ending inventory. FIFO works by selling the oldest inventory, while LIFO assumes the last things in (the newest inventory) are sold first. Retailers often use FIFO to ensure that perishable goods are sold before expiration.

Pros:
- Accurate inventory valuation.
- Optimised tax strategies.
- Improved financial reporting.

Cons:
- Complexity in implementation.
- Potential for distortions in financial statements.

13. Consignment inventory

The consignment inventory strategy includes the supplier retaining ownership of goods and supplying them to a consignee, who sells them. This helps businesses reduce inventory risk while continuing to have access to many products. For example, a retail store can employ this strategy as it accepts inventory, expands its product offerings and retains limited inventory costs.

Pros:
- Reduced inventory risk.
- Improved cash flow.
- Increased product variety.

Cons:
- Dependency on supplier agreements.
- Potential for lower profit margins.

14. Economic order quantity (EOQ)

Economic order quantity (EOQ) is a formulaic inventory control method that marks up the best possible order quantity for stock to lower inventory and related costs. Businesses can use this strategy to balance too much stock and too little, such as when manufacturers use EOQ to determine ideal order quantities for raw materials.

Pros:
- Cost-effective inventory ordering.
- Optimised inventory levels.
- Improved cash flow.

Cons:
- Assumptions may not always hold true.
- Complexity in calculation.

15. Perpetual inventory management

Perpetual inventory management helps measure inventory levels in real-time using inventory demand and supply software or barcode technology. This strategy is good for retailers who want to keep track of inventory movements. It also helps reduce stock-outs and improves the overall efficiency of the business.

Pros:
- Real-time inventory visibility.
- Improved accuracy.
- Enhanced operational efficiency.

Cons:
- Initial investment in technology.
- Dependency on accurate data entry.

16. Minimum order quantity (MOQ)

Minimum order quantity (MOQ) means the lowest possible amount of a product that a buyer is willing to purchase or a supplier is willing to sell. Knowing this lets businesses optimise procurement processes and leverage economies of scale. Such a tool is important to retailers, especially those negotiating MOQs with suppliers for cost-effective procurement and inventory management.

Pros:
- Cost savings through bulk purchasing.
- Reduced ordering frequency.
- Optimised inventory levels.

Cons:
- Potential for inventory obsolescence.
- Limited flexibility in ordering.

17. Six Sigma and Lean Six Sigma

These methodologies aim to catch and remove defects, errors and inefficiencies in business processes, such as those found in handling processes. This leads to reduced lead times and costs, while also enhancing customer satisfaction through data-driven approaches, continuous improvement, employee involvement and their application across diverse industries.

Pros:
- Improved process efficiency.
- Reduced waste.
- Enhanced quality.

Cons:
- Initial investment in training and implementation.
- Potential for resistance to change.

18. Bulk shipping

Bulk shipping allows the transport of larger quantities of goods in single shipments, thus allowing for lower per-unit costs compared to smaller shipments. This is one of the best options for wholesalers who can consolidate multiple orders through multiple suppliers into a single delivery.

Pros:
- Cost savings through economies of scale.
- Improved logistics efficiency.
- Reduced carbon footprint.

Cons:
- Dependency on sufficient demand volume.
- Potential for inventory holding costs.

19. Batch tracking

Batch tracking assigns unique identifiers to batches of inventory items, therefore tracking their movements through the supply chain. This lets businesses track products to their origins and serve a greater customer satisfaction guarantee via an assurance of quality control, such as for food manufacturers who use batch tracking to trace source ingredients and respond immediately to quality issues/recalls.

Pros:
- Improved product traceability.
- Enhanced quality control.
- Regulatory compliance.

Cons:
- Initial investment in tracking systems.
- Complexity in implementation.

20. Reorder points

Lastly, we have reorder points, an inventory management technique that indicates when companies need to order more stock to avoid running out. This reduces the risk of stock shortages and associated liabilities. Retailers use this strategy by supplementing with sales data from previous years and lead times so that customers don't miss out on possible products.

Pros:
- Automated replenishment.
- Reduced stock-outs.

Cons:
- Dependency on accurate demand forecasts.
- Potential for overstocking.

Adopting effective inventory management strategies is essential for businesses to thrive financially and operationally. By employing techniques like demand planning, inventory optimisation and monitoring suppliers and safety stock, businesses can streamline operations, cut costs and keep customers satisfied. These strategies also help unlock cash that may be tied up in unnecessary or slow-moving stock, freeing up resources for further growth and investment. These strategies can assist with planning, managing and optimising your inventory, leading to sustainable growth in today's competitive marketplace. •

6 imperatives for selecting supply chain IT

Selecting supply chain management software can be the most important decision a supply chain or IT manager can make.

The right supply chain IT solution can be one that drives your business to record levels of efficiency and effectiveness, yet the wrong one can drive it into the ground – and this is the same solution that you'll be committing to for the next five to 10 years.

The selection guidelines below will allow you to decide on the level of detail to use for your IT project:

Why – new software

- Current processes are too manual or current IT has gaps or is not optimising processes.
- Scale of your business has outgrown current software capabilities.
- Current software version is out of maintenance or end-of-life, leading to risk and total cost of ownership (TCO) and/or upgrade cost being prohibitive or excessive.
- Current software has not kept pace with tech innovations (blockchain, AI/ML, cloud).
- Current vendor software requires implementation to new – upgrade not possible.

Homework – educate your selection team

- Research current technology trends and innovations.
- Research a range of vendor offerings.
- Ask other trusted companies/contacts what and why they bought.
- Check analyst reports – warning: look at relevant ones – market/industry/focus.

What are you sourcing/seeking?

- Review business processes and current capabilities in light of company future needs.
- Identify your key business/industry and technology needs/innovations, prioritise.
- Create an initial high-level scope and key needs list. This will be used to initially rate options.
- Beware, depending on your exposure to business IT, you may need help here.

Initial vendor list – select relevant software vendors

- Amend key needs list to a scoring matrix. Fill this in from your research, or circulate.
- Check each vendor's focus and where they profess to be functionally/industry strong.
- Perform the initial key needs rating (10 to 20 needs, scored 1 = low , 10 = high).
- Immediately dismiss those that score the least.
- Form an initial vendor list from the highest rated – to perform formal deeper analysis. If an expected name is missing, recheck.
- Agree on initial vendor list. Be realistic or you may be classed as a vendor time-waster in the next step – they will ask who is on the list: 20 vendors are too many, two are too few.

Shortlist process – approach all on the initial vendor list

- Create a more detailed needs list or request for proposal (RFP), as appropriate.
- Set up an initial exploratory meeting, having shared your initial key needs list.

By Doug Hunter

About the author
Passionate about supply chain, logistics and manufacturing operations, Doug Hunter independently assists organisations at board, management and specialist levels to optimise business process innovation and growth through people and the appropriate application of enabling IT.

This 'advisory note' shares some thoughts from a supply chain professional with over 35 years of experience in both managing supply chains and then moving to improving supply chains through the application of technology solutions.

- Present guidelines (in person or document) – your selection process, specific focus, etc.
- Ensure project lead availability to provide answers to their questions throughout.
- Each vendor then returns to deliver on your guidelines:
  - RFP or proposal addressing your needs, plus adding their opportunities for you.
  - Business presentation and software demo according to your guidelines.
  - Give them time to show what they believe they offer – their differentiation.
  - Beware, functional shootouts don't help – must include your relevant focus.
  - Check their culture matches yours – meet their people on your project.
  - Check budget/price for software, services, maintenance over five years for TCO.
- Review all. Some will be easy to remove, others not so, but you must reduce the list.

Final shortlist – getting to the final decision

- In writing, advise each of the shortlisted vendors of where you need clarification on any specific key area(s) they did not cover well. Mention any other concerns.
- Ask each vendor for suggested reference customers (two or three) you could call or visit.
- Vendor returns to present, demo and/or discuss clarification on feedback to them.
- Perform reference visit(s). Tip: speak to a customer who had issues regarding how fix went.
- Final commercial discussion/negotiation.
- Agreement and acceptance signing.

And finally ...

Successful new business IT selection requires the above process to be made appropriate for your project scale and considers your future likely strategic roadmap as well as the IT vendors you already deal with. Is this new IT or extending existing? Good luck! •

From big to better data: putting AI trends into practice

By Tuna Yemisci, Regional Director Middle East, Africa & East Med at Qlik

Organisations have traditionally valued volume, velocity and variety as the classic drivers of 'big data'. However, as we start to explore the promise of increased efficiency and creativity from generative AI, we must also address the remaining two 'vs' – the value and validity of our data.

How can we trust all our data in the generative artificial intelligence (AI) economy? While trends in AI growth and its applications have taken centre stage, it is important to define a roadmap to putting these trends into practice across the organisation. In this way, it holds the potential to usher in a new era of productivity and prosperity.

Let's look at some of these trends and how best to incorporate them into our business practices:

1. Moving from historic to predictive analytics

Thinking that generative AI will replace all previous AI tools would be a mistake. Traditional AI has the potential to bridge the maturity gap in an organisation's generative AI strategy, especially in well-established use cases such as fraud analytics and churn analysis.

A hybrid AI scenario can offer the best of both worlds: the predictability of traditional AI tools and the flexibility, scalability and adaptability of generative AI models.

Don't, however, become overly distracted by generative AI. Any initiative should be rooted in real-life business challenges, while aligning with, and amplifying, any ongoing data and analytics efforts.

2. Empowering non-technical workers

Generative AI plays into the hands of individuals who want answers fast, but do not have the time or skills to perform analyses. As such, we will see an increase in auto-generated visualisations and insights, enhanced with explanations in natural language.

But collaboration and data sharing are key. While this will appease consumers' tendency to trust people more than data, generative AI will also allow them to explore freely and interact conversationally within the systems where they operate.

3. Curating knowledge from unstructured data

Generative AI techniques will allow organisations to unlock the potential and value of unstructured data. In fact, Forrester estimates that 80 percent of the world's data is unstructured. Generative AI models, however, adapt to different data types and do not rely on predefined rules.

As such, the opportunities for combining structured and unstructured data in a trusted way will be endless; for example, using chatbots like ChatGPT for external use cases alongside more private chatbots where trusted enterprise data has been secured.

4. From BI to AI, and back again

Generative AI is bringing about a change in the way businesses analyse their information. It can, for example, take advantage of solutions that place analytics needs where and how people work and provide interactive analyses within workflows.

Individuals might start their analytical journey in generative AI tools, using them for simple data visualisation and business projections. As a next step, they may want to tap into enterprise-grade tools for deeper analysis, bringing the benefits of generative AI to their trusted tools.

5. Data quality matters even more

While data quality and lineage mattered in the past, they have become non-negotiable in the AI world. Companies must be able to create the equivalent of a 'DNA test' for their data to trust its origin.

Solutions are emerging that offer pervasive data quality across platforms, the ability to continuously observe and quickly quantify data quality across datasets, data transformation and cleansing functions, and the ability to track data flows from source to use.

6. AI bots must pass a 'driver's test'

Just as data literacy has been crucial in the last few years, we now need to turn our attention to AI literacy to improve standards, avoid governance chaos and application glut from 'everyday' developers. Power has shifted into the hands of the many and, as such, organisations must take steps to educate their workforce on the benefits and pitfalls of generative AI.

7. Data democracy and the end-to-end story

Innovation often comes from a convergence between unexpected parts of the organisation. More powerful AI and automation capabilities can remove the need for advanced knowledge and tools that can shift a new breed of users out of their comfort zones.

By merging the roles and capabilities of data engineering, data science and analysis, for example, organisations can solve tougher problems with fewer resources. This also eliminates barriers between previously siloed functions to solve business problems.

8. From analysis to execution

Connecting generative AI to automation shifts human focus to action. As data can be transformed in near-real time and in the right place, new ways of using generative AI will emerge.

This reduces the burden of manual work, such as building workflows, and instead allows humans to focus on decision-making processes. However, automate incrementally as comfort grows by monitoring progress, adjusting and then automating more. And always keep humans in the loop.

9. AI customisation

Applications of generative AI are currently generic. Over time, however, we'll see more customisation around industry and business-to-business (B2B) use cases, with multi-cloud environments providing greater efficiency and stability.

With less effort and hours, as well as the ability to build customisations on a common foundation, greater speed and efficiencies can be realised to address specific industry needs.

10. The data marketplace

We can apply the same principles of product management to data by asking questions about what problems we are solving, best use-case scenarios and by whom. This will emphasise the importance of data quality, governance and usability for end users.

Only then can we start transforming data assets into products for reuse internally as well as externally. In this way, our most valuable asset can also become a tradeable good.

In conclusion, our focus should always be on how well trust, security and regulatory pressure hold up in a new data paradigm. Better, more trusted data will ensure that the output of generative AI is not compromised by a lack of data traceability and quality. •


DESIGN AND DEVELOP
INFRASTRUCTURE
AND OPERATIONS TO
MAKE YOUR SUPPLY CHAIN
A SUCCESS

3 tips to improve employee productivity

Behavioural change specialist Arjen de Bruin, Group CEO at OIM Consulting, provides three tips to enhance the productivity of your employees, all of which encompass adopting a people-first approach.

Ask any company head or business leader how important employee productivity is to them and they will tell you that it is right up there with a strong bottom line and a good coffee machine. But, productivity in itself shouldn't be the starting point – rather, it should be the people. If you adopt a people-first approach, productivity is the natural by-product.

I see the same challenges across the various industries in which we operate. Productivity has always raised an issue and so we conduct a thorough assessment prior to rolling out our programme to find out where the problem lies.

Within mining and manufacturing, as well as warehouse distribution and fast-moving consumer goods, we see a similar competency profile among employees. Planning and organising is typically the poorest competency across the board, followed by analysis and problem-solving and, finally, leadership and development, with only 17 percent of workers classed as proficient in their roles. We have seen how these areas curtail organisational productivity.

Within these industries, assertiveness typically ranks high. You will find that supervisors are used to operating in a reactive manner; they are assertive and able to handle problems that arise, but they're not always able to plan effectively and prevent a problem from occurring, which results in time wastage.

In financial services, the same problems rear their heads, but in a somewhat different order. Among the staff who form part of the back office operations, we find that planning and organising is typically where it should be, but assertiveness is low. This means that when it comes to critical decision-making, confidence is lacking and this can negatively impact outcomes.

Anecdotally, South Africans can also be somewhat erratic when it comes to productivity. We have periods of extreme productivity, but then sometimes take the pedal off the metal. We're also not inherently process-driven; we need something to make absolute sense to us in order for us to adhere to it, and this can derail us when it comes to our efforts in the workplace.

However, overall, South Africans have a good work ethic. We have seen that when employees are empowered with tools and coached to be more consistent in planning and organising, as well as other areas such as analysis and problem-solving, there is a sharp uptick in productivity.

Below are three tips for companies seeking to get the most out of their employees in the workforce:

1. Employees must see how their performance is linked to the big picture

Performance is linked to purpose. Your employees need to see how what they do each day ties into the big picture; how it matters.

The first step is always to clearly define what your company stands for, creating structure and alignment. Employees then need to be brought into the process and shown how these values translate into day-to-day action and behaviour. The energy of employees needs to be focused frequently and leaders need to be visible, engaged and continuously carrying the culture of the organisation.

And not only do employees need to see the link between their performance and the company's operations or strategy, but also how it relates to their own lives and the benefit it can bring them. For example, if the company reaches target, there might be a financial incentive for them such as a bonus. Or they might gain a new skill and feel more empowered in their role.

2. Teach through training, entrench through coaching

Companies typically invest a great deal in training employees and sending them on courses and to workshops. However, without coaching, these remain cerebral; it's very difficult for these new habits and behaviours to embed themselves in the employee's day-to-day conduct.

Coaching is integral as it helps to entrench theoretical learnings through practical, real-life and, here's the important bit, repeated application. People need guidance; if you want to see an uptick in your employees' performance, look for programmes that offer coaching as a core component of the methodology.

3. Collaborate, don't dictate

In my experience, I've seen that the best way to get employees on side is through collaboration. The two worst styles of leadership are autocratic or laissez-faire, which means to let people do whatever they like.

There needs to be engagement and collaboration; people need to feel like their input is heard and their insights are valued. There also needs to be accountability. Yes, sometimes difficult decisions need to be made, but consulting with employees beforehand helps to bring them onside, which will ultimately be reflected in their performance and productivity. Valued employees are engaged employees and engaged employees are productive employees. •

7 steps to keep your business safe when using AI

By Warren Bonheim, Managing Director at Zinia

As companies start using artificial intelligence (AI) to boost their business, it's like opening a box of magic tricks – it can do wonders! But, just as with any powerful tool, it's crucial to keep an eye on how these new tools might expose your business to risks.

Imagine an app that uses AI to sift through heaps of data to spot trends and give you insights. Sounds great, right? But, if it's not well guarded, it's like leaving the back door open for cyber criminals.

These technologies offer opportunities for innovation and improvement in your business. However, they also introduce security vulnerabilities, especially when it comes to protecting sensitive business data or private information.

AI loves data. It needs lots of it to work well, which means it can access tons of sensitive information and we need to make sure this data is locked up tight.

Many AI tools use third-party platforms to store or analyse your data and they may not always have stringent security protocols, leaving sensitive information vulnerable. Sometimes, the biggest slip-ups come from our own team. Simple mistakes, such as setting up privacy settings incorrectly, losing devices or unwittingly granting permissions to malicious apps, can invite trouble

Follow these steps to keep your business safe and sound when using AI tools:

1. Make clear rules about how to use AI safely. By establishing these 'house rules' for your technology, you'll help protect your business from risks and make sure everyone knows how to use AI tools responsibly and effectively. And remember, it's perfectly okay if you're not sure how to set all this up on your own. It's smart to bring in an IT professional to ensure everything is set up correctly and securely.

2. It's super important to make sure everyone on your team knows about the risks and the right ways to use AI technologies. Having regular training sessions isn't just about rule following, it's about helping everyone spot security risks before they turn into real problems. Plus, when everyone's clued in on the best ways to handle these tools, it's one of the best shields you can have against data breaches.

3. Block all unwanted AI tools on your firewall and disallow non-approved users from making these decisions without the proper due process or knowledge. Some AI tools also take notes of meetings, often where teams discuss strategic activities related to the business. These, too, need to be controlled through policies and using approved vendors.

4. Steer clear of free AI tools. Most of them can share your sensitive data, making it pretty much public. It's like leaving your diary open on a park bench; anyone can peek. If privacy is a big deal for you, it might be worth investing in a paid service that promises better security.

5. When you bring in third-party AI tech, you've got to be really picky about who you team up with. Make sure they're good with security. Going with partners who've got a solid rep for protecting data can really cut down the risks that come with handling and storing your info on their platforms.

6. It's smart to do regular check-ups on your AI tech. These security assessments help you spot any weaknesses, whether it's with the devices themselves, how data is sent back and forth or how it's stored. Catching these issues early means you can fix them before they turn into bigger problems, helping you steer clear of security headaches.

7. Use tools such as encryption, which is like a secret code for your data. When you send or store info through your AI tools, encryption scrambles it up so only the right people can read it. And don't forget about beefing up your access controls too. Things such as multi-factor authentication and strict permissions make sure only the folks who really need to can get into your sensitive stuff.

Using AI is exciting and it's all about learning as you go. Staying informed about security and putting these simple steps into action will help you enjoy the benefits of AI without the worry. It's not about fearing the new, but being smart about it! •

Reverse Billing in Logistics: Simplifying Complex Payments and Protecting Profit

By Matthew Eardley, Senior Product Manager: TMS at Transnova

For transporters and cargo owners, reverse billing can lay the groundwork for streamlined costs, accuracy, and trust in data for both parties.

If you've ever felt a twinge of anxiety opening a bill—whether it's for your phone, electricity, or car repair - you're not alone. Just like us, companies face the same frustration with transport invoices, where complex rates and multiple service providers make accurate billing a challenge. But there's a solution that simplifies the process and aligns with smart, data-driven logistics: reverse billing.

What is Reverse Billing?

Reverse billing flips the script on traditional invoicing. Instead of waiting for suppliers to send a bill, the customer creates a record of all transactions and contracted rates, then tells the supplier exactly what to invoice. Think of it as a "pre-checked" bill that removes surprises and cuts down on administrative work.

Why It Matters

Reverse billing may sound like just a finance tool, but in logistics, it's far more powerful. It lays the groundwork for streamlined costs, accuracy, and trust in data. Here's why it's worth the initial setup:

1. Centralizes Rates and Contracts: First, rate cards and contracts are organized into a database. This investment ensures that the company - not the supplier - controls the price reference, making future audits and budgeting easier.
2. Reduces Errors and Frustrations: By validating costs up front, reverse billing cuts down on back-and-forth between logistics and finance. It creates a smoother, transparent process, reducing the time spent fixing errors or handling surprise fees.
3. Strengthens Decision-Making: Integrating this rate data with planning systems gives logistics teams real-time visibility on costs. This means they can make smarter decisions on carrier selection and cost-saving strategies, which are consistently applied across all transactions.

Why It's Especially Important for Transportation

The transportation industry is incredibly diverse, with numerous carriers, variable costs, and many logistical challenges. This complexity can quickly lead to billing headaches. Reverse billing addresses this by:

- **Automating Calculations:** Transport costs aren't just about distance; they also consider factors like equipment type, fuel surcharges, and additional stops. Reverse billing automates these details, removing the need for manual checks.
- **Protecting Strategic Decisions:** When companies know they're paying exactly what was agreed upon during planning, they avoid losing value from unexpected fees. Reverse billing ensures the projected costs align with actual payments.

Real-World Impact

Imagine a company shipping high-value goods across regions. Once the cargo is loaded, the expected transport cost is recorded in the company's system. Any unexpected changes, such as delays or extra miles, are accounted for transparently within the system, so the final bill reflects reality without surprises.

By automating and centralizing these processes, reverse billing strengthens a company's ability to manage costs and improves relationships with carriers. It's a win-win, ensuring suppliers are paid correctly and companies maintain control over expenses. •

TCO White Paper aims to shift mindsets in transport industry

Michelin has released its latest research – *Unlocking the Power of TCO (Total Cost of Ownership): A Fleet Manager's Guide to Efficiency and Sustainability* – with the aim of shifting the mindsets of South African transporters to run more efficient and sustainable fleets.

The 2023 Decarbonising South Africa's Transport Sector report noted that in South Africa, transport is the third largest emitting sector, with almost 55Mt of CO_2 emissions contributing more than 10 percent to the country's national gross emissions. This is true globally – the transport sector is one of the significant contributors to greenhouse gas emissions, with most transport today still running off internal combustion engines powered by fossil fuels.

Many transport operators in the country are dealing with a unique set of challenges, which include the rising cost of fuel, load-shedding, safety and security as well as other logistical issues. The reality is that many transport operators – especially the small to medium-sized operators – have not yet begun to think about how they can run fleets that are efficient, profitable and sustainable.

"Currently, transport owners are not managing the operating costs of their businesses in a holistic manner. By looking at the cost of fuel, driver salaries, maintenance and repairs, purchasing or renting a truck and the cost of purchasing tyres individually, transport owners are unable to see how these often disparate parts of the business can impact each other and be managed better to reduce operating costs and improve sustainability," comments Charl Lensley, B2B Director for the truck and bus division at Michelin.

For example, an average of 30 percent of a transporter's operating costs are towards fuel consumption and 25 percent towards salaries. What many transporters don't know is that purchasing the right tyres, which accounts for five percent of a transporter's operating costs, can reduce fuel consumption, time and money lost from breakdowns as well as increase sustainability.

Fleet owners calculate the cost per kilometre (CPK) to optimise tyre expenses. They achieve this by selecting durable tyres that can be regrooved or retreaded for reuse. This has been found to be an impractical way of measuring the true impact tyres can have on a fleet business.

By choosing quality tyres with a low rolling resistance is one major way to reduce fuel consumption. A transporter who can reduce rolling resistance by 1kg/t for a 40-ton truck can save more than two litres of fuel every 100km. To put things into perspective, a fleet of 50 trucks can save R1,331,050 annually (at current rates and costs) by upgrading from grade B to grade A tyres with a low rolling resistance.

"We know that the carbon tax is coming and this will be another operating cost that fleet operators must factor in. For smaller fleet operators who are currently under financial pressure, now is the time to manage their operating costs in a smart, holistic and sustainable way. Essentially, we are helping transporters solve tomorrow's problems today," continues Lensley.

Michelin Connected Fleet helps transporters measure their carbon emissions by harnessing advanced systems to provide real-time data insights, allowing fleet operators to make smarter, more informed decisions that contribute to sustainability and efficiency.

"Michelin has always been at the forefront of sustainable and safe mobility. We are excited to introduce the TOC way of thinking to the local market to help fleet operators realise that they can truly operate efficiently and sustainably – there no longer needs to be a trade-off," adds Amaury Vadon, Michelin's MD for sub-Saharan Africa.

Download the full White Paper here: https://pro.africa.michelin.com/en/michelin-insights/total-cost-of-ownership.

Storequip

Tel: +27 11 503 1500

84 Merino Avenue, Cnr Houer Road,

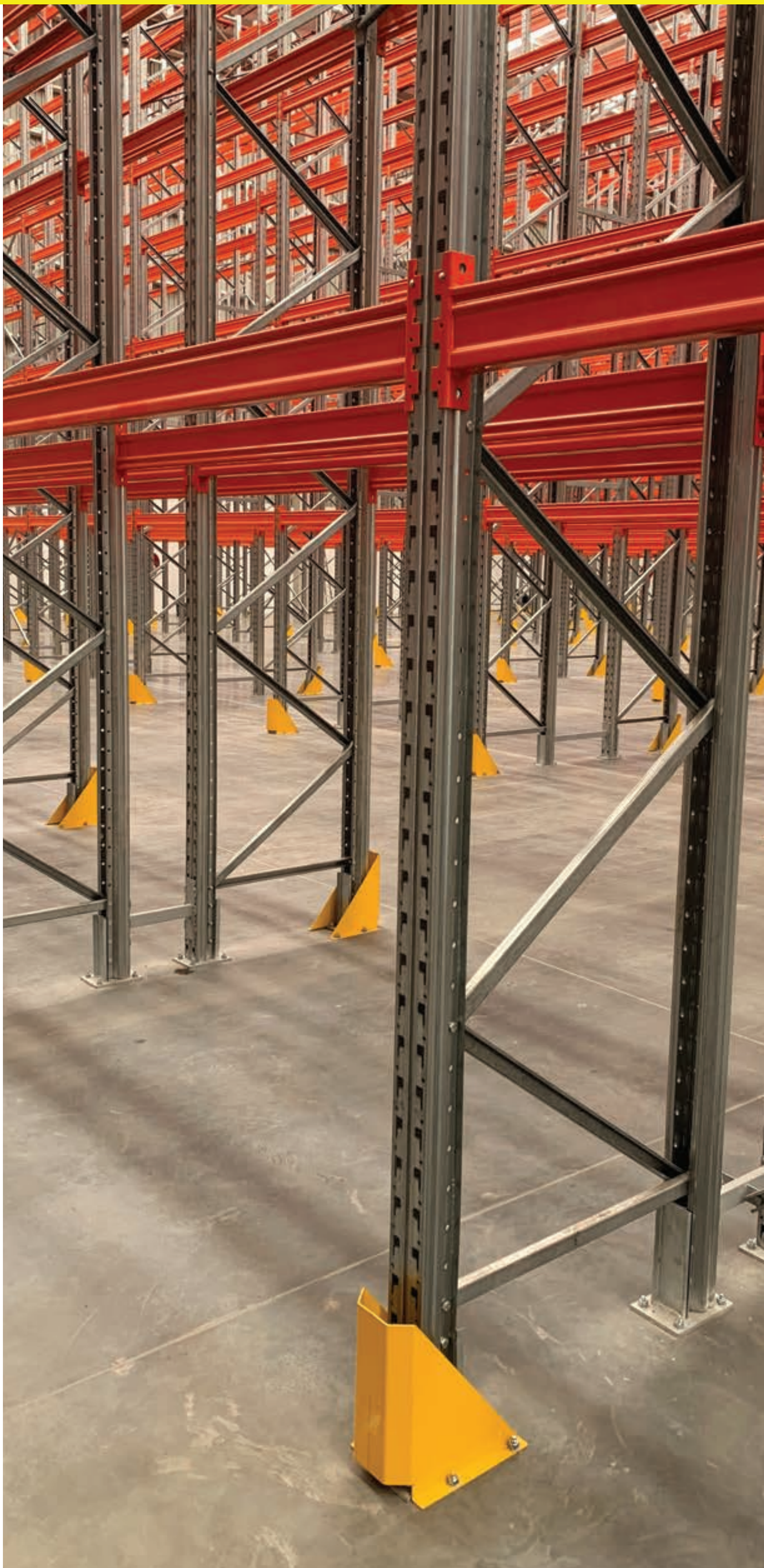
City Deep, Johannesburg, South Africa

Website : www.storequip.co.za

Email: clintons@storequip.co.za

Clinton: +27 79 503 0456

The Storequip Group are the largest manufacturers of shelving and racking systems in Africa. We can consequently offer several racking systems ranging from light duty industrial shelving to 21 ton heavy duty racking across Sub-Saharan Africa.



The SPAR Group drives logistics innovation across DCs

By Solly Engelbrecht, National Logistics Executive at The SPAR Group in South Africa

In the movie *Any Given Sunday*, Al Pacino gave a motivational speech on driving forward towards success. He stated: "The inches we need [for success] are everywhere around us." Logistics is all about the small inches that result in a continuous forward drive towards success.

Retail logistics supply chains continue to evolve rapidly. At The SPAR Group, with six distribution centres (DCs) nationwide and a fair size fleet, keeping pace with these changes (and focusing on the inches) will be integral to success. The key going forward will be building on our strengths while navigating the various challenges in the South African landscape – disruptions through protests, attacks on drivers, failing infrastructure, load-shedding and port chaos...

It is imperative that major retailers, such as The SPAR Group, on which people depend ensure stock levels are healthy, demand is matched and the supply chain is working like clockwork no matter how challenging the environment outside. Driving excellence, reliability and efficiency is key for success, but we will need to keep innovating to stay ahead to get the 'inches'.

From a safety perspective, we are very fortunate that only a few trucks were lost to crime in the past three years. We are also moving forward with technology, harnessing data insights and benefiting from tracking and other high-tech solutions to ensure trucks are rerouted away from high-risk areas to ensure our drivers remain safe.

Meanwhile, technology is driving efficiency on other fronts – two of our DCs are offering paperless deliveries to our retailers and, this year, we intend to extend this solution.

The rollout of solar is a powerful solution in the fight for cheaper, reliable and renewable energy. Due to the 24/7 nature of our operations and the need for refrigeration in our perishables warehouses, we will be adding to our solar capacity at three of our DCs in 2024.

While initially we spent capex on solar plants, we are now using Power Purchase Agreements (PPAs) to avoid major capital outlays through partnerships. While this rollout depends on available roof space, it is a win-win for all involved. In addition, we are looking at the possibility of wheeling power into our DCs and at other power generation options.

At all our DCs, we have seen a more managed increase in our electricity costs due to the solar solutions. We will still need to rely on Eskom to take care of night-time cooling and power needs for now, though our planning does include reducing this reliance in the long term.

Going forward, the focus on efficiencies across the entire retail supply chain, from trucks and the cold chain to people, production and supply, will only intensify and require new thinking and approaches to all parts of our business.

It would be remiss to not note that we have faced significant challenges with the rollout of a new SAP IT system, but I am pleased to say that things are beginning to settle and we are starting to see improvements. I have no doubt we will win back the loyalty of our retailers affected by the initial problems.

The six key areas we are looking at building on in the logistics space are:

- Operational excellence.
- Financial stability.
- Customer service.
- Governance and compliance.
- Building a SPAR performance culture.
- Innovation in support of the overall SPAR Strategy towards 2028.

We will be driving very specific innovation projects. At the end of the day, it is people who are running machines, and people must execute the decisions that will create the results that matter.

This is why we are focused on developing logistics technical skills and leadership levels across our business. Our recent syndicated project management programme, which entailed eight groups and involved 70 people, is a great example of innovation in action. It has delivered excellent results and is now moving on to the implementation phase across our DCs.

I expect to see some powerful solutions coming to the fore as the best ideas from within our company are tested and implemented.

Ultimately, we are redeveloping our logistics strategy to drive an agile, reliable, sustainable supply chain network to ensure retailer success. As the market becomes even more sophisticated and complex, we will ensure we keep our eyes wide open. •

Digitisation of last mile logistics

By Renko Bergh, Co-founder of CtrlFleet

Digitsation of last mile logistics is a transformative force reshaping the delivery landscape for transporters and has a critical role to play in the last mile segment in order to enhance efficiency and customer service in the delivery process.

The last mile of analytics refers to the space between the data team and the business teams. It is the moment between someone looking at your report or dashboard and the action they take as a result; it encompasses all the back-and-forth questions we get about 'what this graph means' or 'what data is included there'; and it's where we discuss the problems of our stakeholders and how we can help solve them.

What does the data say about the importance of last mile logistics?

Despite being the shortest part of the supply chain, it's often the most complex and costly, accounting for up to 53 percent of the total shipping cost. A staggering 84 percent of consumers declare their reluctance to shop again with a retailer following a negative delivery experience.

Additionally, 70 percent of consumers prioritise speed, convenience and a friendly delivery service, with 90 percent viewing two- to three-day delivery as standard and 30 percent expecting same-day delivery. Astonishingly, 21 percent of consumers express a reluctance to buy from brands that offer no or limited order tracking, highlighting the growing importance of transparency in the delivery process.

The last mile in action

Last mile logistics isn't a one-size-fits-all solution. Its application varies across industries:

E-commerce. Analytics tracks deliveries from warehouses to doorsteps.

Logistics and transportation. Optimisation of goods and service delivery.

Health care. Tracking of medical supplies to facilities.

Retail. Monitoring product delivery to stores and customers.

Analytical breakthroughs in the last mile

In the last mile, data analytics crystallises into three key domains:

Dashboard analytics. Real-time and historical data merge, providing a complete view of field activities, revealing trends and opportunities. Dashboard delivers strategic value to service organisations by giving key performance metrics at a go. It helps to view real-time and historic data in the same dashboard to identify trends and areas of opportunity. Also, it helps in gaining a 360° view of what is going on the field.

Heat maps. These help you in generating descriptive and predictive analytics that assist in understanding what happened and what is likely to happen, and assist you in analysing and planning it on the field. With heat maps, you can have a clear view on:

- Where to recruit more workforce.
- Number of delivery requests.

Predictive analytics. Gives a deeper understanding of the future outcomes with some degree of likelihood. Predictive analytics is an area that deals with extracting information from data and using it to predict trends and behaviour patterns. With predictive analytics, businesses can drastically improve last mile visibility, impacting decisions such as:

- Where to open new hubs.
- Where customer requests are spread.
- New orders likely to come in.

Leveraging last mile data

The advantages of using last mile data are evident across sectors:

E-commerce. Delivery time and route analysis can improve customer experiences.

Logistics. Adjustments to delivery schedules based on real-time data ensure efficiency.

Health care. Optimised supply chains guarantee the availability of critical equipment.

Retail. Enhanced delivery processes lead to better customer satisfaction.

Embracing a new perspective

Last mile analytics encourages a fundamental mindset shift, placing the business problem ahead of processes and tools. This approach transforms interactions with the business, fostering a culture of problem-solving and innovation.

Consider the example of a South African e-commerce company that, by leveraging last-mile analytics to optimise delivery routes, achieved a 25 percent reduction in delivery times, significantly boosting customer satisfaction.

Facing the future

Implementing effective last mile delivery tracking systems requires seamless integration and proactive change management, with 83 percent of executives acknowledging that their supply chain technology investments have not fully met expected results.

Moreover, as we integrate more technology into logistics, sustainability with skills ability becomes a paramount concern. It's not just about making deliveries faster and cheaper, but doing so in a way that is environmentally responsible. We must balance efficiency with sustainability; the goal isn't merely to expedite deliveries, but to do so responsibly.

In conclusion, the last mile delivery market is on the cusp of extraordinary growth. Digitising last mile logistics and long-haul trucking is a definitive shift towards enhanced efficiency, sustainability and customer contentment. As we navigate this revolution, let us embrace the opportunities it presents, stay mindful of the challenges and work collaboratively towards innovative solutions that benefit us all. •

Safeguarding cargo transport amidst rising risks

By Natalie Cooper, Senior Marine and Aviation Broker at Aon South Africa

Businesses entrusted with the task of cargo transport must fortify their defences against uncertainty and volatility through a blend of risk engineering, insurance and business continuity planning, and this is more important than ever in an industry sector that underpins trade and world economies.

Civil unrest, riots and crime are persistent threats businesses across South Africa pay extra attention to in the run-up to and after the national elections. These risks hold significant implications for transport operators, notably those in cargo/freight transport and logistics by road, with hard lessons learnt from the riots of July 2021 that saw over R50-billion in resulting damage and 340 lives lost. Key lessons learned from the July riots as well as the COVID-19 experience are the massive interdependence of the supply chain and that disruptions are becoming more severe and occurring with greater frequency.

The explosive growth of online shopping and e-commerce in South Africa also attracts heightened risk in an industry that saw e-commerce through domestic retailers reach $3.5-billion in 2021 and which is expected to generate revenue of $6-billion by 2025. The vast majority of these products and services reach their consumers via road transport and they're increasingly in the sights of sophisticated crime syndicates that target anything from electronics and cell phones, consumables and food and designer gear to cigarettes and liquor.

This heightened risk landscape poses a formidable threat to transport operators' employees, operations, cargo and assets. However, with solid risk management and engineering strategies, backed by marine insurance, the best-prepared businesses can manage and mitigate potential losses as far as possible.

Understanding the many complexities and interlinked nature of risks in the cargo transport sector is paramount as they underscore the delicate balance of processes in delivering goods and services to millions of people and businesses across the country. The critical importance of our freight/cargo transport industry to our economy and livelihoods, and its safeguarding, cannot be emphasised enough.

From the threat of vehicular damage and cargo pilferage, theft and hijackings and safety of employees and drivers to disruption of transportation schedules, toll costs, carbon taxes, fuel and maintenance costs, increased private security and monitoring costs – especially for high-risk cargo – as well as collapsing road infrastructure and delays at ports and harbours, the challenges are manifold.

Given the tough operating environment and a hardening insurance market, the insurability of commercial fleets and cargo is no longer a simple 'given' as underwriters have become increasingly risk-selective and expect clients to have a comprehensive plan in place to minimise and mitigate risks.

A proactive approach to risk management and mitigation that embraces risk engineering guidelines is crucial and encompasses the following measures:

- Undertaking comprehensive risk assessments can aid businesses in pinpointing potential hotspots and high-risk areas, informing strategic decisions regarding route planning and contingency measures.
- Equipping vehicles with tracking and real-time monitoring systems can fortify them against external threats, further bolstering resilience in the face of adversity.
- Exploring means of armouring vehicles carrying high-value or sensitive cargo is also an option to explore in safeguarding employees and load.
- Training of drivers is crucial in equipping them with the knowledge and insight to handle emergency procedures and protocols during adverse events such as riots and strikes, natural disasters or hijacking, with an emphasis on safeguarding their own lives.
- Keeping communication channels open between drivers, customers and stakeholders is key to situational awareness.
- Fostering collaborative partnerships with security services and local authorities can also enhance situational awareness and facilitate timely interventions when crises emerge.

Beyond risk engineering, matching this to an effective and fit-for-purpose insurance programme that takes care of the unique and complex risks facing transport and freight/cargo is key, and here marine insurance plays a leading role in safeguarding valuable and high-risk cargos.

By scrutinising policy terms regularly – with the aid of an experienced marine broker – businesses can fortify their financial resilience by incorporating appropriate risk management steps that adequately address potential exposure as far as possible, and then transferring risk where appropriate via marine insurance coverage. The key thing to remember is that while marine insurance may seem straightforward, each policy must be customised to meet the unique needs and risk exposures of every client, cargo and operating environment – and it's here where experienced marine insurance brokers and underwriters play an important role.

Given the complexity and interrelated nature of risks, it is important to fully understand the nature of freight/cargo being transported, its value (including duties and taxes), the nature of transport risks faced and who is liable and what exactly is covered at every point of the supply chain. An outright loss of cargo that is not correctly insured will bring a raft of crippling financial and professional liabilities that could easily shut down the business.

In building a well-rounded marine insurance policy, the following needs to be taken into consideration:

- Understanding policy terms and conditions is crucial to having the correct cover that will address political risks (civil unrest, riots and strikes), business interruption and damage to property and cargo.
- Additional coverage may need to be considered for high-value or sensitive cargo such as electronics and liquor.
- Having the correct policy limits in place will ensure sufficient cover for potential losses. The temptation to cut costs on insurance coverage and not properly interrogate and insure the true value and nature of cargo can have disastrous consequences if things go wrong.
- Policy deductibles and excesses need to be reviewed to ensure they are reasonable and manageable.

An essential added cover that should be included in every marine insurance policy is Sasria insurance, which provides cover against special risks such as civil commotion, public disorder, strikes, riots and terrorism. It is important to note that according to Sasria regulations, the cover is attached to an underlying marine policy and is designed to bridge the gap in covers under the institute war and/or strikes clauses. Any claims will be dealt with according to Sasria regulations and will be reported and dealt with through the marine policy.

In tandem with these measures, embracing a diversified approach to transportation, harnessing emerging technologies for cargo monitoring and fostering collaborative alliances within the industry can augment resilience against unforeseen disruptions.

Businesses entrusted with the task of cargo transport must fortify their defences against uncertainty and volatility through a blend of risk engineering, insurance and business continuity planning, and this is more important than ever in an industry sector that underpins trade and world economies. •

Prioritising fleet driver safety

By Duma Ngcobo, Chief Operating Officer at Tracker

The escalation in business vehicle-related crime means that businesses should adopt proactive behaviours that could help mitigate vehicle theft, cargo theft and, above all, protect drivers.

The convenience of e-commerce transactions during and following the upheavals of COVID-19 has catalysed South Africa's embrace of online retail and fuelled a substantial contribution to heightened activity within the nation's freight and logistics sector. As reported by Mordor Intelligence, the industry's 2023 value of R402-billion has a projected upward growth trajectory to around R590-billion by 2029.

Grocery delivery services have expanded in response to growing demand. According to Statista, the number of users of grocery delivery services is expected to reach 7.8 million by 2028. This, in turn, adds more vehicles, including motorcycles, onto South African roads.

Paired with South Africa's predisposition to vehicle crime, the escalation in the presence of delivery vehicles on our roads has given rise to an elevation in hijacking incidents. Criminal elements are increasingly focusing their attention on courier and logistics vehicles involved in the transportation and delivery of goods purchased online.

According to Tracker's Vehicle Crime Index (VCI), hijackings still dominate at a national level, accounting for 55 percent of all national vehicle crime incidents, with business-owned vehicles almost twice as likely to be hijacked than stolen. This also compromises the safety of drivers, off the back of cargo and vehicle losses suffered by fleet managers and logistics businesses.

Fleet managers in South Africa should consider a combination of options within their overall solution to combating vehicle and cargo crime and keeping their drivers safer. Telematics tracking, paired with stolen vehicle recovery services, has traditionally formed the cornerstone toolkit for fleet managers concerned about business vehicle crime. The increasing sophistication of vehicle-related crime, however, and the violent nature of this crime enacted upon drivers, prompts a re-examination of priorities.

It is not unusual, for instance, that cargo can be more valuable and desirable in criminal circles than the transportation vehicle itself, hence the escalation in opportunistic business vehicle hijackings that compromise the safety of drivers. Not only is it necessary for fleet managers to have line of sight of, and recoverability services for, cargo trailers and asset tracking of high-value freight items, but driver safety must also be factored into an overall fleet solution.

Additionally, South Africa's challenged road network is proving to be a substantial factor in overall logistics considerations when it comes to driver safety. Not only have trucks replaced trains on long-haul routes due to decaying rail infrastructure, resulting in more heavy-duty vehicles and their drivers exposed to criminal elements, but these same drivers are also increasingly exposed to the probability of accidents occurring on their routes.

Here are some additional fleet management tools and tips that can help ensure the safety of drivers and vehicles and the preservation of cargo:

- Use the geofencing feature on telematics platforms to demarcate safe or unsafe zones for your fleet of vehicles. If a vehicle leaves a safe zone or enters an unsafe zone, a notification will alert you to the possible danger.

- Consider the installation of AI dash cameras in your fleet. Not only can this give you a remote view of both road and in-cab activity via a managed live look-in service, but the camera's AI technology can help mitigate vehicle theft by monitoring facial recognition and can help prevent accidents by monitoring driver behaviour such as drowsiness or excessive speeding by alerting both the driver and fleet manager.
- Sign up to a service through your vehicle tracking service provider or insurer that delivers armed guards to your driver's exact location within minutes whenever a roadside emergency arises. Whether involved in an accident or dealing with a tyre blowout or breakdown, your driver, vehicle and cargo will benefit from an armed guard, who will wait with your driver until he or she has been assisted and is back on the road again.
- An in-cab assist button is a handy feature that facilitates an alert to fleet managers from a driver, prompting a call-back. This feature functions in conjunction with the telematics unit and does not rely on the driver having a cell phone or available airtime when requiring assistance.
- A journey-sharing feature is helpful to track drivers and keep an eye on their progress and route. If the route deviates from plan or if journey progress stalls, steps can be taken to ascertain the safety of the driver, vehicle and cargo and initiate assistance if required.
- Ensure vehicles are regularly and optimally maintained to avoid engine or tyre problems en route. A breakdown creates a vulnerable situation for both driver and cargo.
- Plan routes in advance; share these with somebody who can keep tabs on progress and vary routes if driving regularly between the same origin and destination.

In addition to a strong focus on driver safety, here's a few additional points for consideration around vehicle and cargo safety in relation to current business vehicle crime trends:

- Tracking and theft retrieval is not just for vehicles, but also motorcycles and trailers. Ensure that your fleet tracking and recovery solution takes these into account.
- If your vehicle features keyless entry via the use of a fob, a Faraday pouch is recommended for your driver to store the fob when the vehicle is parked. Relay entry attacks are becoming commonplace. These attacks involve a criminal discreetly following a driver when the vehicle is parked as collections or deliveries are executed. When within range of the driver, the fob signal can be amplified to a criminal counterpart waiting at the vehicle in the street or parking lot, who can then open and start the vehicle and drive away in a matter of seconds, along with any merchandise in transit.

The degree of technological innovation from reactive to proactive and then pre-emptive vehicle tracking has impacted positively on driving down the rate of vehicle crime, yet criminal syndicates have also become more resourceful and highly sophisticated. We encourage businesses to heed the escalation in business vehicle-related crime and to adopt proactive behaviours that could help mitigate vehicle theft, cargo theft and, above all, protect drivers. •

Beyond the test: ethics and workplace drug and alcohol testing

By Rhys Evans, Managing Director at ALCO-Safe

Ethical concerns have sparked a debate on workplace drug and alcohol testing.

The growing prevalence of workplace drug testing has ignited a fiery debate, shifting the spotlight beyond the act of testing itself to examine the integrity of results and the fairness of disciplinary repercussions. This heightened awareness of individual rights and ethical considerations within the workplace highlights the critical need for reliable and equitable testing procedures, clearly grounded in a formal workplace policy.

Driven by an understandable concern for the safety of employees and assets, companies feel compelled to conduct regular, stringent tests. Rightfully so, given that corporate responsibility is scrutinised relentlessly in today's climate, which makes maintaining a drug-free environment so much more than just a compliance issue. It is now a necessary component in illustrating a fundamental commitment to providing a secure and productive work environment.

Emphasising the significance of transparency and awareness

Numerous factors are pushing companies to clamp down on the presence of intoxicating substances in the workplace. These include a growing awareness of the prevalence of drug use and its potential impact on safety as well as increasing

regulatory and legal consequences. Companies are becoming more mindful of potential legal liabilities arising from workplace accidents or incidents linked to substance use as more of these cases make news headlines. In response, stringent testing aims to deter drug use and create a safer working environment for all employees, while demonstrating a commitment to a drug-free workplace enhances a company's reputation and public image.

Setting the proper foundation

Although the incidence of alcohol consumption before and during working hours may not have significantly increased, companies are visibly adopting more conscientious testing measures – a shift that has prompted challenges from employees who question the necessity and fairness of stringent protocols. A clearly communicated policy that details the company's position on alcohol and other intoxicating substances is a necessary starting point for workplace testing. Such a policy must detail how and when employees will be tested for substances, either on a random basis of suspicion or regularly. In safety-critical industries, workers are usually tested before they clock in to start a new day and when returning from lunch breaks. This policy must also detail confirmation procedures while spelling out the repercussions for failure to comply. A carefully crafted workplace policy such as this is critical to upholding safety measures and mitigating potential risks associated with substance use in the workplace.

Identifying controversy and challenges

The focus on accountability in drug testing extends beyond internal considerations, now extending to external perceptions and legal implications. Companies that can demonstrate a commitment to a drug-free environment are better positioned to safeguard their reputation and legal standing. However, the issue of workplace substance testing must intricately weave together respect for individual rights, corporate responsibility and safety – a delicate balance to ensure a secure and conducive working environment for all.

The heightened scrutiny of workplace testing stems from several concerns, including a lack of transparency. Many policies can be construed as arbitrary and subject to change at the employer's whim, which undermines procedural fairness and employee trust. As for ethical considerations, workers' unions are often concerned that the potential for abuse exists and that testing can be used to target specific individuals, which amounts to 'weaponising' drug testing for punitive measures rather than safety. Additionally, stricter testing raises concerns about the privacy of personal information and the dignity of the testing process.

Employee concerns must be effectively addressed

As a result, employees and their representatives are justified in demanding workplace policies that are clear and accessible, readily outlining testing procedures, triggers and consequences. They want testing to be administered by trained, impartial individuals to ensure accuracy and unbiased interpretation. Here, confidentiality goes hand in hand with alleviating employee concerns and this can be achieved by respecting employee privacy as much as possible throughout the process and by using the least invasive testing methods available.

To avoid the argument that testing is unfair or being weaponised, confirmation testing is critical, and positive screening tests should be confirmed through laboratory-grade methods for accuracy before disciplinary action to avoid costly legal repercussions. For companies that wish to show that their testing policy is not punitive, it is advisable to offer support options, such as access to resources and rehabilitation programmes, to help employees who might be struggling with substance abuse.

Creating safety through positive change and transparency

In pursuit of deterring abuse and creating a safe, substance-free workplace, companies must ensure procedural transparency and supplement workplace testing with education and awareness programmes. This means that employees understand the dangers of substance abuse and know they have the option of utilising available support programmes aimed at prevention and rehabilitation. Aiding employees struggling with addiction demonstrates compassion and promotes positive change. This is important because the prevalence of substance abuse in South Africa demands a thoughtful approach to workplace testing that balances the need for safety with individual rights and ethical considerations.

By prioritising transparency, fairness and support, companies can create a safer work environment for all while contributing to a healthier, more productive workforce. •

Transnova acquires Maluti-X

TRANSNOVA HAS announced the acquisition of Maluti-X, leveraging the strengths of both companies' networks, people and skill sets to unlock new value for customers. In today's complex data-driven business environment, companies are collecting an exponential amount of data from a multitude of sources. The challenge companies face, particularly in supply chain operations, is how to use that enormous amount of data to drive information into action and deliver tangible value.

Maluti-X is a leading supply chain advisory firm led by a team of passionate data engineers who combine in-depth supply chain knowledge with a data revolution approach. Customers who have partnered with Maluti-X on their data transformation journey and supply chain improvements include Amka, Dis-Chem, Libstar, Lieben Group, Mr Price and Woolworths, among others.

"The acquisition of Maluti-X brings together two companies with complementary solutions, customers, values, culture and vision," says Transnova CEO Eric Gower-Winter. "Maluti-X is leading the way in transforming data into action for customers, which is where the industry is heading, and a skill that is in high demand within our own extended customer base and network."

"The company has also developed a unique labour optimisation and scheduling tool called MILO, which allows companies to automate the operational decision-making and labour planning process. This ensures that the correct number of resources are used at the right time, thereby minimising overtime while adhering to labour laws," adds Gower-Winter.

A recent Gartner survey highlighted that data analysis is the leading priority in supply chain, closely followed by IoT and cloud computing. During 2024, 50 percent of supply chain organisations will invest in applications that support artificial intelligence and advanced analytics capabilities.

"We are pleased to join the dynamic team at Transnova who have achieved phenomenal growth in the past decade," says Stephan Maré, Managing Director at Maluti-X. "We are excited to learn from them, to share our knowledge and skills and combine forces to unlock additional value for new and existing customers."

"Maluti-X will continue to operate independently to Transnova; however, close collaboration and knowledge sharing is already underway across both teams," says Gower-Winter. "This acquisition made sense for both parties and was simple to conclude due to the strong cultural fit across both organisations. We are a group of people who share the same values – a group with a deep drive to serve our customers first and foremost. We love solving our customers' problems and finding solutions to their everyday issues and future challenges. We believe in turning these issues into opportunities for mutual benefit." •

New Multimodal Inland Port Association launched

A SIGNIFICANT milestone was reached in the South African logistics sector with the recent launch of the Multimodal Inland Port Association (MIPA) during the Transport Forum online event on 23 May, 2024. The event marked what many are calling the dawn of a rail renaissance in the country.

MIPA addresses a critical need in South Africa's logistics landscape, which is increasingly grappling with rising costs and severe congestion. The association aims to act as the unified voice for inland ports across the nation, focusing on promoting, supporting and advocating for the increased movement of cargo from road to rail. "Transporting more cargo by rail has become an imperative, considering the growing cost of logistics in South Africa. It is no longer just a nice-to-have," says Warwick Lord, MIPA Chairman.

Warwick Lord, MIPA Chairman.

MIPA aims to reform the rail industry through private investment, foster trade activities that meet social objectives and facilitate the crucial transfer of goods from road to rail. By optimising industrial and logistics activities through efficient multimodalism, logistics costs will be reduced and efficiency will be improved.

Formed by leading entities in the transportation sector, including the Cato Ridge Inland Port, Tambo Springs Development Company, Portfutures, Autoforce, Mac Group, Cape Town Inland Port, the Cape Winelands Airport, the Musina Intermodal Terminal, RailRunner South Africa and RailRunner Services, the association is committed to collaborating on best practices, particularly through private sector participation (PSP). It will work closely with government and state-owned enterprises.

"We aim to create one voice for inland ports, driving workable multimodal solutions that deliver efficiency, cost reduction and much-needed resilience to the South African supply chain. By doing so, we can mitigate the impact of external shocks and ensure stability in the logistics sector," says Lord.

MIPA's strategy to drive more cargo from road to rail includes using innovative multi-nodal technology and improving collaboration with other freight hubs and stakeholders to optimise each supply chain link from a cost and efficiency perspective.

"Inland ports increase accessibility through long-distance transport corridors, leading to lower distribution costs and improved capacity by consolidating freight volumes," explains Lord. "These multimodal terminals can handle large amounts of cargo continuously, allowing seaports to extend their cargo base, which is crucial given the increasing size of vessels." Furthermore, inland ports provide significant dedicated logistics developments, proximity to rail and highways, ample truck parking and less traffic congestion.

Lord says MIPA is dedicated to facilitating free trade and promoting sustainable practices. The association will support its members in complying with sustainable development goals and the SADC Vision 2050.

Dr Juanita Maree, CEO of the South African Association of Freight Forwarders (SAAFF), highlighted the launch of MIPA: "Our logistics network is at a turning point, with more alignment across the country than ever before. By working together, we can achieve significant advancements. It is crucial to continuously foster dialogue, share insights and raise awareness to build a sustainable supply chain for the future."

According to Lord, MIPA will aim to expand its membership, encouraging more stakeholders to join and contribute to the conversation. "The business community plays a vital role in developing and facilitating trade within the logistics and supply chain environment. We will lobby warehousing, transport and consulting businesses through these channels to join MIPA. We will also seek to include state-owned enterprises (SOEs) as they are significant players nationally and globally, while fostering a close working environment with the government," he concludes. •

Andrew Cowley, former CEO of Fleetbeacon, and Renko Bergh, CEO of CtrlFleet.

CtrlFleet acquires Fleetbeacon

CTRLFLEET, a leading provider of transport management software, has announced its acquisition of Fleetbeacon, a fleet management automation platform. This strategic move marks a significant step forward in the company's mission to revolutionise the transport and logistics industry.

CtrlFleet is at the forefront of transport management solutions, offering advanced software designed to streamline operations and enhance efficiency. The acquisition of Fleetbeacon integrates complementary technologies and expertise, promising to deliver an unparalleled suite of services to clients across the globe.

"Fleetbeacon's reputation for automating and optimising fleet management processes aligns perfectly with our vision," says Renko Bergh, CEO of CtrlFleet. "This acquisition is not just about growing our capabilities, but also about redefining the future of transport management."

Enhanced offerings and improved service

The combined forces of CtrlFleet and Fleetbeacon will offer clients a more comprehensive range of services. By leveraging Fleetbeacon's automation platforms, CtrlFleet aims to enhance its existing transport management software, providing clients with more robust and integrated solutions. "Our goal is to create a seamless experience for our clients, where they have access to the best tools and technology in the industry," remarks Andrew Cowley, former CEO of Fleetbeacon. "Joining hands with CtrlFleet is a natural progression towards this goal."

Commitment to innovation and customer satisfaction

CtrlFleet emphasises that the acquisition will lead to an increased focus on innovation, with combined research and development efforts aimed at delivering cutting-edge solutions. Additionally, the merger promises enhanced customer support, with a larger, more diverse team dedicated to addressing client needs.

"We are committed to not only maintaining, but also elevating, the level of service and innovation our clients expect from us," adds Bergh. "Together, we are stronger and more equipped to tackle the challenges and opportunities of the transport sector."

Looking ahead, CtrlFleet is excited about the potential of this acquisition to reshape the landscape of transport management software. The company plans to continue investing in new technologies and exploring synergies between the two organisations to drive growth and deliver value to clients and stakeholders alike.

"We're just getting started. This acquisition opens up a world of possibilities and we are eager to embark on this new chapter in our journey," concludes Bergh. •

CFAO Equipment SA offers accredited training for forklift drivers and mechanics

IN THE fast-paced world of material handling, machines are indispensable tools for efficient operations. CFAO Equipment SA stands at the forefront of this industry, offering total solutions for new and pre-owned equipment, rental options and value-added services. However, it also focuses on enhancing business capabilities through specialised technical training.

Ensuring the safe and effective operation of forklifts and other material handling equipment demands more than just technical expertise; it requires comprehensive training, regular maintenance and an unwavering commitment to workplace safety. Recognising this critical need, CFAO Equipment SA has made it a cornerstone of its business to provide accredited forklift driver's license instruction and a Manufacturing, Engineering and Related Services Sector Education and Training Authority (merSETA) recognised forklift mechanic qualification.

While forklifts are incredibly versatile machines, their full potential can only be realised in the hands of skilled, competent and well-trained operators. Similarly, their operational life can only be prolonged through regular servicing and maintenance performed by expert technicians.

Empowering operators through essential training

"Training serves as the central pillar of effective forklift operations," emphasises Pumza Sikaka, Learning and Development Manager at CFAO Equipment SA. Trained operators are more adept at navigating challenges and adhering to safety protocols, ultimately reducing the risk of accidents and damage to equipment. CFAO Equipment SA offers comprehensive training in two key areas.

Firstly, the company's forklift driver training equips participants with the necessary skills to legally and safely operate the various types of forklifts that it sells. Upon completion, drivers receive an official license, validating their competence to operate specific machines. This training covers a wide range of topics, including start up and shutdown checks, operational procedures, manoeuvring, load collection and handling, and familiarisation with the advanced features found in modern forklifts.

Additionally, the CFAO Equipment SA Training Academy offers a four-year course endorsed by the National Artisan Moderating Body (NAMB). Eligible apprentices from further education and training (FET) colleges and technical high schools undergo training to become accredited forklift mechanics, earning a highly regarded 'Red Seal' trade certificate. This indicates that candidates have met the criteria for the trade's national standard. Training, delivered by technical trainers who are registered assessors and moderators, includes theoretical instruction and practical skills, ensuring operators can efficiently and safely handle machinery in various environments. Candidates typically enter the programme as apprentices and emerge as highly skilled technicians, ready to contribute to CFAO Equipment SA's workforce.

Another pathway to accreditation is through the process of Artisan Recognition of Prior Learning (ARPL). This is for experienced employees who have been working as technician's assistants, but are not officially qualified. These generally older candidates undergo an assessment to identify gaps in their knowledge and capabilities. Following this assessment, they receive targeted trade preparation training and, ultimately, undergo a trade test. Recognising their prior learning in the field, these technicians are exempt from completing the full four-year training programme to obtain their qualification.

The CFAO Equipment SA Training Academy adheres closely to these regulatory requirements, offering accredited training programmes and ensuring operators are compliant with relevant standards and regulations. •

Unitrans launches Centre of Excellence to enhance offering

OPERATING COST efficiencies and safety are primary considerations for any logistics or freight company and Unitrans moves this to a new level with the launch of its newly upgraded Centre of Excellence (COE).

The modern supply chain is driven by big data, with information coming directly from trucks on the road, fleet management systems and other services. The COE collects, analyses this data and provides real-time solutions and information to all relevant departments as well as to drivers on the road. By harnessing the power of technology through the COE, Unitrans can process large-scale data into actionable business intelligence.

"The launch of our upgraded COE marks a significant milestone for Unitrans and the industry as a whole," says Jacques Greeff, Executive of Solutions at Unitrans. "We are thrilled to unveil this state-of-the-art facility that will drive value creation and operational excellence for our clients across Africa. Our focus is on empowering our clients with real-time insights and predictive analytics that drive informed decision-making and enhance overall operational performance. Through our centralised platform and data-driven approach, we are unlocking new possibilities for supply chain optimisation and cost efficiency."

Unitrans is committed to developing bespoke solutions to provide optimal results for its customers. The company's commitment to excellence extends beyond technology and data analytics. Its team of industry experts brings a wealth of experience and knowledge to the table, ensuring clients receive best-in-class solutions tailored to their specific needs.

"We believe that the future of supply chain management lies in the integration of data-driven insights and advanced technology," continues Greeff. "Our COE is designed to be a game changer, offering our clients a competitive edge in a rapidly evolving marketplace."

Greeff describes the COE as an enabling tool that serves to optimise operations, mitigate risks and enhance safety and security measures – ultimately contributing to the increased efficiencies of its customers' supply chains. Some of the tangible benefits of the COE include fleet optimisation, reduced standing times and an overall boost in vehicle efficiency. Whilst none of these concepts are new, the Unitrans COE uniquely balances risk mitigation imperatives and efficiency targets with sustainability objectives.

Predictive analytics

Predictive analytics means leveraging historical and real-time data to forecast future outcomes. By analysing large-scale datasets, businesses can gain valuable insights into patterns, trends and potential risks, allowing them to make informed decisions and mitigate operational challenges effectively. In the context of a logistics business, predictive analytics can revolutionise risk management practices by identifying potential issues before they escalate, reducing operational risks and improving operational cost efficiency significantly.

Through the continuous analysis of data related to factors such as weather conditions, traffic patterns, equipment maintenance and driver behaviour, transport and logistics companies can proactively address potential problems and optimise their operations for efficiency, safety and sustainability. "Ultimately, with the integration of advanced predictive analytics tools and large-scale data analysis, it is conceivable the supply chain industry could not only reduce operational risks, but potentially eradicate them altogether," says Greeff.

This transformative approach has the power to improve the way supply chain businesses operate, ensuring smoother operations, enhanced safety standards and, ultimately, a more sustainable and reliable supply chain ecosystem.

Mars awards 2023 Supply Chain Associate of the Year

Helen McDougall, Managing Director Mars Southern Africa (left), Nox Somhlahlo (centre) and Nicholas Baard, Supply Chain Director of Mars Southern Africa.

MARS, THE multinational manufacturer of confectionery, pet food and other food products, recently held its South African Annual Conference, known as All Associates Day – an eagerly anticipated event where associates come together to celebrate achievements, align with company values and inspire one another.

The awards not only highlight the achievements of the different departments within the company, but also reinforce the five principles that drive Mars's success: quality, responsibility, mutuality, efficiency and freedom.

The 2023 Supply Chain Associate of the Year award went to Noxolo (Nox) Somhlahlo of the Mars South Africa Supply department. Presenting the award, Nicholas Baard, Supply Chain Director of Mars Southern Africa, said: "Nox has been awarded the Supply Chain Associate of the Year for 2023 due to the huge contribution she made to Mars as well as in her own development. Nox double-hatted for six months of 2023, doing two roles while a fellow associate was on maternity leave. She was an integral part of completely step changing how we track and hold accountable our logistics costs and, in doing so, helped identify and create significant savings in 2023 and 2024. Nox stretched herself and grew professionally, despite facing some difficult challenges. She did this while always smiling and completing projects outside of her job scope. Nox has a great attitude and is known for being someone everyone wants to work with."

After the conference, Nox shared: "I'm beyond thrilled that I've been awarded the prestigious Supply Chain Award of the Year at this year's AAD conference for Mars Southern Africa! This recognition means the world to me, especially because it came as such a wonderful surprise. On the day of the conference, I was celebrating my birthday with family, but little did I know that this incredible honour was waiting for me. It truly felt like an amazing added birthday gift."

"As I reflect on this milestone, I'm filled with a sense of pride and humility. Once again, thank you to our SC Director and the Mars leadership team from the bottom of my heart for this incredible honour. I am deeply humbled and immensely grateful. Here's to many more milestones, challenges conquered and successes shared in the journey ahead."

National roads being upgraded using recycled truck tyres

THE USE of large amounts of recycled rubber crumb for the manufacture of road surfaces and related products is propelling South Africa towards a circular economy where waste products are usefully used to address key infrastructure needs, points out Dr Mehran Zarrebini, CEO of Hammarsdale-based radial truck tyre recycler Mathe Group.

Much of the production from the Mathe Group factory, which recycles approximately 1,000 radial truck tyres per day to produce 45 tons of rubber crumb, goes to Tosas, a bitumen product manufacturer, for the manufacture of rubber modified bitumen, a product that is being used by the South Africa National Roads Agency (SANRAL) for massive upgrades to the N1 in Gauteng and the N2/N3 leading from the Port of Durban.

Tosas approached Mathe Group in 2016 for the supply of rubber crumb. This was shortly after Mathe Group moved from a small facility in New Germany to its present location in Hammarsdale, KwaZulu-Natal. Since then, it has increased crumb production significantly.

Tosas has been operating for more than five decades and was originally jointly owned by Total and Sasol. The company became part of the JSE-listed Raubex Group and operates from seven locations – Wadeville, Bloemfontein, Worcester, East London, Durban, Gaborone and Tsumeb in Namibia.

Tosas became a leading bitumen-supplying company by always keeping abreast of the latest technological developments. The company has one of the best bitumen testing laboratories in southern Africa and is a world leader in the development of new bitumen products.

Deon Pagel, MD of Tosas, explains that although people still refer to so-called black top roads as 'tarred' roads, the use of tar, which is extracted from coal and is carcinogenic, has been discontinued and replaced with bitumen, which is extracted from crude oil.

Bitumen, which for chipseal applications is sprayed onto the road surface at up to double the temperature of boiling water, seals the top road layer works, protecting the foundation layers beneath and acting as a waterproofing layer. Alternatively, it can be mixed in with the asphalt and acts as a glue, strengthening the road itself.

This bitumen that exits a refinery – known as penetration grade bitumen – is modified with the addition of a variety of different modifiers. Rubber modified bitumen is created by mixing 20 percent rubber crumb with 80 percent bitumen and extender oils.

"This is one of the most superior road bitumen products in the world and, on top of that, there is the

benefit of recycling. You take old tyres and convert them into a usable product. It is a win-win," he notes.

This win-win has extended to the point where bitumen rubber has now been generically specified by government and other road authorities and owners for use in the construction of roads throughout the country. Mathe Group's role goes beyond simply producing rubber crumb through ambient grinding of radial truck tyres for Tosas. Together with Tosas, it designed and developed a second plant to produce what is known as New Crumb Rubber Technology (NCRT). This involves coating the rubber crumb with aromatic oil and specialised waxes to produce a pre-swollen rubber crumb that is bitumen rubber for asphalt mixes and spray seal applications that have greater longevity and much lower mixing temperatures.

Zarrebini, who is now looking to install a further line that will double output at Mathe Group's Hammarsdale factory, is confident that the company can accommodate the growing need for rubber crumb for roads as well as other applications.

"The recycling plant that we have designed is flexible and we can manufacture different particle sizes of rubber crumb for different end uses at the same time. The specific rubber crumb size that is used for rubber modified bitumen is of the finer quality. The coarser grades are used as infill for artificial turf and as elastic layers for sports applications. The material that is finer than that used in rubber modified bitumen is utilised in non-slip paints, automotive brake pads and to manufacture new tyres," he explains.

He adds that there is room for growing the amount of rubber crumb utilised in the roads industry, although this is largely dependent on SANRAL awarding tenders for infrastructure projects and having the available funding to follow through with these projects.

"From a production perspective, we have the flexibility of only manufacturing the grade of rubber crumb utilised in rubber-modified bitumen or, if the demand is lower, then we can switch to manufacturing a combination of grades of rubber crumb for other industrial uses. During 2023, we implemented machinery upgrades, which enhanced output. We continue to invest in maintaining and upgrading our equipment. In 2024, we will see further enhancements to the plant, which will result in greater output," he concludes. •

Toyota Material Handling launches Vector A-series Man-Up Combis

WITH THE warehouse industry requiring ever greater efficiencies, Toyota Material Handling, a division of CFAO Equipment SA, has introduced the new Vector A-series Man-Up Combi – an articulated forklift truck that revolutionises warehouse operations and promises heightened agility, unmatched precision and elevated safety standards.

The Vector-A series Man-Up Combi features high rack handling capabilities and is designed to lift operators up to the level of the racks, allowing for more precise and comfortable handling of goods or order picking from different rack levels.

Stephen Mostert, National Technical Manager at CFAO Equipment SA, says the introduction of the Vector A-series is yet another innovative solution offered by the company to bolster the efficiency and safety of its customers' warehouse operations. "The Vector A-series comes into its own when the lifting gets heavy. With heavy loads, it's imperative to keep steady and that's exactly where the Vector A-series shines. With all models featuring triplex masts with low collapsed heights and three-way forks, the articulated four-wheel chassis of the Vector A-series boasts exceptional stability during top-line operation, while minimising the aisle space needed for transfers between aisles."

This contributes to a lighter overall weight due to decreased counterweight stability needs. When paired with its robust twin-drive motors, it yields unparalleled performance and shortened work cycle durations. This, in turn, means faster picking times.

In addition, its staggered quadset support wheels not only provide a smoother ride capable of counteracting floor defects, but prolong the lifespan of the polyurethane wheels, quadrupling their life expectancy.

"The unique pivot point of the Vector A-series range allows it to navigate through aisles that are narrower (by more than a metre) than those required by non-articulated trucks. This facilitates the provision of an additional four pallet positions on each level within an aisle," adds Mostert. "This allows it to lift heights of over 16.8m with a load capacity of 1,000kg in the case of the VCE150A model. This unlocks the potential to increase storage height without the need to expand floor space."

The Vector A-series features Toyota Material Handling's patented Advanced Lifting System, decreasing the battery energy needed to lift the cabin and load. This allows for up to 30 percent of the energy required to lift a load to be regenerated during lowering, facilitating two shifts on a single charge.

"Considering that operators spend six to 10 hours daily in the cabin, our truck's design prioritises their requirements," elaborates Mostert. "With this in mind, the cockpit is designed to offer the clearest possible view in all directions and incorporates various technologies dedicated to bridging the gap between man and machine by greatly enhancing cabin comfort, while also boosting safety and efficiency."

As with all Toyota Material Handling products, safety remains a top priority. The Vector A-series features Toyota Material Handling's innovative Personal Protection System (PPS) and a colour touch display for improved interactivity between operator and machine. •

Enviro Automotive extends DFSK EV product range

ENVIRO AUTOMOTIVE, importer and local distributor of Chinese automaker DFSK's battery-electric vehicles (BEV), has announced new additions to its C-Series panel van and bakkie line-up to enhance its current offerings. In July 2022, Enviro Automotive introduced the DFSK brand in South Africa with the launch of the EC35 panel van and EC31 one-ton bakkie.

Following the successful introduction of its C-Series range of delivery bakkies and panel vans globally in 2009, DFSK extended the range by introducing the popular battery-electric EC35 and EC31 in 2018.

"In 2022, during our visit to China to sign the distribution agreement with DFSK, we identified its EV products as the most competitive options for our local market to meet mobility needs while positively impacting costs," says Gideon Wolvaardt, Managing Director of Enviro Automotive. "DFSK's EC35 dominates the electric panel van market in China, showcasing the efficiencies achievable with commercial electric vehicles."

Feedback from the local market following the launch of the DFSK EC35 revealed a need among labour-intensive businesses for increased worker space and a four-seater configuration. As a result, Enviro Automotive opted to introduce the EC35 four-seater derivative to its panel van line-up.

"After nearly two years of intensive local market research, establishing our infrastructure to meet future market demands and rigorous testing of our DFSK EV panel vans and bakkies in demanding transport fleets, we are confidently expanding our range to offer more sustainable mobility solutions for last-mile delivery companies," remarks Gideon.

Both EC35 derivatives share the same technical foundation, differing only in passenger capacity and cargo space, offering a payload of 950kg. The four-seater's cargo space measures 3.1m³, just 1.7m³ less than the two-seater's 4.8m³. The DFSK EC35 four-seater is the most affordable four-seater EV locally.

"Market feedback on electric vehicle acquisition costs prompted us to introduce a monthly rental scheme, offering our DFSK EVs at R3.75 per kilometre. This option enables buyers to transition to green energy delivery vehicles, saving costs," adds Wolvaardt.

The ECV75 will be available in two specification levels: an entry-level version and a more comfortable variant featuring high-tech safety features such as a Lane Departure Warning System (LDWS), Forward Collision Warning (FCW), Adaptive Cruise Control (ACC), Autonomous Emergency Braking (AEB) and Lane Keeping Assist (LKA).

"As green commercial electric vehicles gain wider acceptance, we aim to capitalise on evolving market trends in South Africa. We intend to leverage our two years of experience to assist transport fleets in fully embracing new energy resources, resulting in both environmental benefits and immediate positive impacts on companies' bottom lines," concludes Wolvaardt. •

Ford launches new one-ton Transit Custom

FORD SOUTH Africa has commenced the introduction of the new Transit Custom commercial vehicle range with the launch of the Base Long Wheelbase Van, with additional derivatives to follow later this year.

The next generation of Europe's best-selling one-ton van is designed to help small and medium businesses reduce cost of ownership, work more effectively and achieve new levels of productivity. Ford engineers developed a new platform designed to optimise load carrying and access, improve driver comfort and convenience and deliver outstanding performance and handling, while delivering uncompromised cargo space.

"The Transit Custom is designed and developed in Europe, where it is the top-selling van and the best-selling vehicle overall in the UK, so it has a proven pedigree of being trusted by business owners to enhance their productivity," says Doreen Mashinini, General Manager for Marketing at Ford South Africa.

"Ford pulled out all the stops to deliver another huge leap forward for our customers," Mashinini says. "The new generation Transit Custom's ground-up customer-led design will set a new benchmark for what small and medium businesses can expect from a commercial vehicle."

New platform, new level of productivity

Before Ford designers began sketching the new Transit Custom, the company's D-Ford in-house, human-centred design lab spent years engaging with business customers to research their needs and pain points and identify innovative solutions to help improve productivity. Underpinning the Transit Custom is a new platform designed around optimum load carrying, access, performance and powertrain flexibility.
The clean-sheet design is stiffer and 100kg lighter than that of the previous generation vehicle and features a lengthened wheelbase for optimum cargo capacity.

To maximise fuel efficiency, the new model's body design was developed using extensive aerodynamic simulation and, together with a reduced frontal area, resulted in a CdA up to 13 percent lower than that of the previous generation model. The vehicle architecture was optimised to help achieve an overall height of under 2m to improve access in height-restricted areas such as multistorey car parks, garages and underground loading bays.

A larger side load door aperture enhances loading and the side door features a new integrated access step to make entering the load compartment even easier.

Optimised packaging of the chassis and body structure enable the vehicle's load floor to be lower than that of the outgoing model to facilitate loading cargo and cab access.

As a large-capacity panel van, Transit Custom offers a total load volume of 5.8m³ with the standard roof height, along with a payload up to 1,269kg and a maximum load length of 3,050mm using the smart load-through feature under the passenger seats.

Practical features are found throughout the load compartment, including a full-width metal bulkhead with a window and load-through hatch, six load area tie-down loops, partial rubber floor covering, twin 180° opening rear barn doors and ultra-bright LED interior lighting. Buyers can also opt for an optional load area protection kit with full height walls and a moulded floor. The voluminous load compartment can accommodate up to three standard Euro pallets, while the vehicle's maximum braked trailer weight is rated at 2,500kg should owners need to tow additional cargo.

For the first time, the Transit Custom van is fitted with a new semi-trailing arm independent rear suspension design that contributes towards the lower floor height and improved steering precision, handling and traction. The front wheels and strut towers have also been repositioned further forward, resulting in much better cross-cab access, improved foot space and footrests for occupants in the front as well as a shorter front overhang for more confident parking and manoeuvering.

High-tech interior

The Transit Custom is fitted with a large 13-inch landscape touchscreen angled towards the driver for ease of use, supporting Ford's latest SYNC 4 communication and information system that includes Wireless Apple CarPlay and Android Auto with optional wireless charging, along with embedded satellite navigation. The advanced cockpit is completed by a 12-inch instrument cluster that incorporates a seven-inch configurable display.

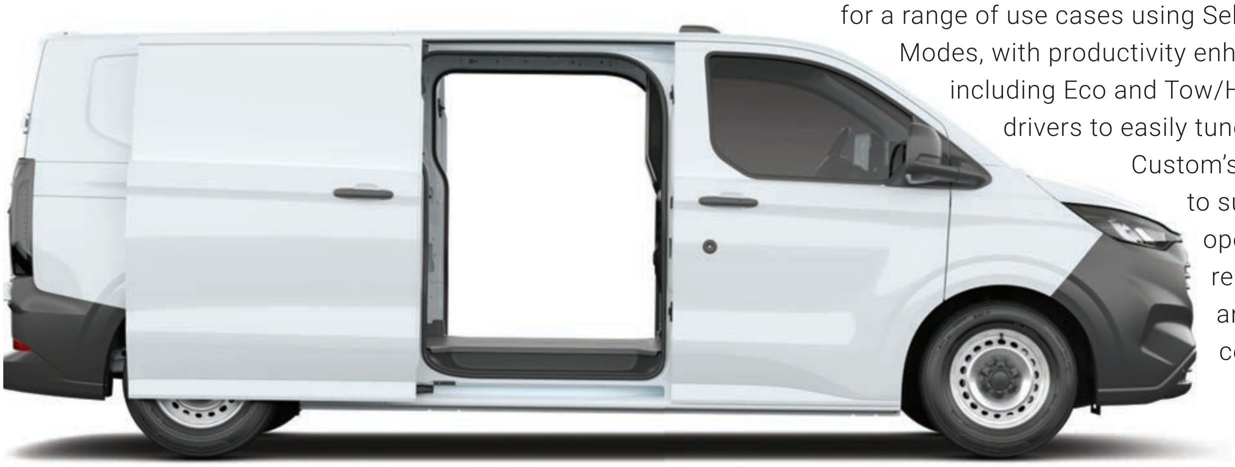
Ford designers matched the high level of digital innovation with ergonomic features designed to make Transit Custom more comfortable for drivers spending long shifts in the cab. The new platform enables a more car-like driving position, while the flat cabin floor along with the electronic handbrake help cross-cab access.

Efficient powertrain

The Transit Custom is powered by Ford's efficient and economical 2.0-litre Single Turbo EcoBlue diesel four-cylinder engine, which produces 100kW of power at 3,500r/min, along with 360Nm of torque between 1,750 and 2,500r/min.

The 2.0-litre diesel engine uses AdBlue diesel exhaust fluid to transform nitrogen oxide into harmless nitrogen and water, significantly reducing the impact of its exhaust emissions. A 20-litre AdBlue tank is standard. Additionally, the Transit Custom features Auto Stop/Start, which further reduces emissions in busy city environments.

Power is delivered to the front wheels via a six-speed manual transmission. The powertrain can be optimised for a range of use cases using Selectable Drive Modes, with productivity enhancing options including Eco and Tow/Haul, enabling drivers to easily tune Transit Custom's performance to suit different operating requirements and driving conditions. •



Newlyn's R3.4bn multimodal rail terminal launched at Port of Durban

IN AN HISTORIC launch ceremony attended by President Cyril Ramaphosa, leading port logistics company Newlyn Group unveiled the Newlyn PX Bayhead Rail Terminal, strategically located next to the Port of Durban, to open the door to enhanced intra-Africa and local trade and investment opportunities.

"This is a major milestone for South Africa and showcases what can be achieved when the private sector and government work together for the future of our country and her people," declares Newlyn CEO Raj Balmakhun.

President Cyril Ramaphosa said at the unveiling that the completion and launch of the Newlyn Park Bayhead Rail Terminal project at the Port of Durban is not only a much-needed boost to South Africa's logistics infrastructure network, but is also a symbol of recovery and resilience for the city of Durban, the eThekwini Metro, KwaZulu-Natal and the country at large. "Upgrading local port infrastructure is critical to the success of the Africa Continental Free Trade Area (AfCFTA), and this new terminal will facilitate the swift movement of goods from South Africa to the continent and beyond," he said.

The unveiling follows an initial investment commitment of R3.1-billion made by Newlyn following the South African Investment Conference in 2019. The development, currently valued at R3.4-billion, facilitates the movement of sea, rail and road cargo via a multimodal hub to assist with the handling, storage, loading and movement of a variety of cargo types, including hard and soft commodities in bulk and breakbulk, containerised cargo and project cargo.

Prior to this, there was no large-scale rail and road connected facility of sufficient scale and proximity to the Port of Durban to manage the high level of flow of cargo by sea, road and rail traffic needed to unlock the north and landlocked southern African trade corridors.

"We have updated limited and ageing infrastructure at one of Africa's busiest ports and have drawn on international best practice in modern rail terminal design to accommodate seven block trains of 50 wagons each simultaneously. The added rail capacity accelerates the movement of cargo from road to rail, adding immense new opportunities for businesses, local economies and supply chains," says Firdhose Coovadia, Chief Value Officer at Newlyn.

The immense potential of the African Continental Free Trade Area can also be unleashed. "AfCFTA promotes industrialisation and diversification of economies by encouraging the development of regional value chains and the manufacturing sector. Congested and poorly functioning ports hold back the immense benefits of intra-African trade, but solutions like ours ensure more trade, more industrial activity and more jobs," says Coovadia.

The facility already processes some 1,400 truck gate movements each day, handles about 380,000 tons of cargo each month and thus is growing quarter on quarter. Commodities handled in the terminal include copper, project cargoes and equipment, cobalt, paper, fertiliser, renewable energy project cargo, zinc and mining reagents.

The terminal comprises seven separate warehousing units (PX 1-7), four of which are on long lease to global logistics major C Steinweg Bridge and three of the units to another global bulk logistics company, Access World. The land on which the rail terminal has been developed is leased from Transnet on long lease. The development comprises some 640,000m², including 350,486m² under cover and 267,865m² of yard, rail siding and other infrastructure, making it one of the largest multimodal rail terminals in the southern hemisphere. •

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info@logisticsnews.co.za
6 Pegmatite Ave, Witkoppen,
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Website:
www.logisticsnews.co.za

Deputy Editor:
Gilda Quintal
gilda@logisticsnews.co.za

Advertising & Editorial Manager:
Karl Murray
karl@logisticsnews.co.za

Design & DTP:
Nicole Cook

Subscriptions:
www.logisticsnews.co.za/subscribe

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