

EDITION 2/2008

# DACHSER

magazine

THE WORLD OF INTELLIGENT LOGISTICS



**HIGHWAYS AND  
INFORMATION  
SUPERHIGHWAYS**  
Dachser's networks

**MARKETPLACE FAR EAST**

A bridge to international  
trade in China

**RETAIL LOGISTICS "LIVE"**

Give way to freshness – the fastest  
route from warehouse to shelf



## Tiger-like logic

>> Logistics is like golf. It's all about the most efficient link from point A (tee box) to point B (hole). Scientists in Vienna have measured that up to 400 muscles are activated when a player accelerates the ball to around 200 kilometres an hour.

As "market leader", golf icon Tiger Woods has certainly got the hang of this highly complex action.

"If you hit every shot perfectly, golf is really easy."



**Forum**

- 04 People & markets:**  
Logistics trends  
Adventures in corporate history  
The Western Balkan transport market
- 08 Dachser face-to-face:** Bernhard Simon meets David Schmutzler

**Network**

- 10 Market place Far East:** Dachser Far East continues to expand its full-service network
- 12 Do-It-Yourself:** Strength through cooperation – Dachser and SynLOG

**Competence**

- 13 Quality assurance:** Products from the entargo family set high standards
  - 19 Retail logistics “live”:** Quality proves itself in critical situations – a Dachser report
- Cover story**
- 14 Intelligent logistics:** Highways and information superhighways – Dachser’s networks
  - 23 Competition/Imprint**



## Logistics in Dubai

# 21st century oil

On the Arabian peninsula the countdown is on. 200 dollars for a barrel of crude oil is already in sight, heralding the imminent drying up of what until now has been a source of prosperity. The Dubai Emirate set the course for the future a long time ago. Sheikh Mohammed bin Rashid Al Maktoum's master plan also includes logistics. He wants to see his emirate develop into the major hub for the supply of the Arabian peninsula and the Middle East, East Africa and India. This will revolve around the "Jebel Ali" free trade zone – JAFZ for short. Here no, or minimal, customs duties are collected on exports. In the heart of this zone, the boomtown "Dubai World Central" (DWC) is being developed, a 140 square-kilometre artificially created city in which 900,000 people are expected to live and work – among other things also in "Dubai Logistics City" (DLC). "The *New Logistics Territories* stand for the decisive dimensions of the economy in the 21st century: innovation, sustainable development and economic efficiency," explains Michael Proffitt, CEO of DLC.



# TRENDS

## Dachser in Greater China

# Opening doors to international trade



Edoardo Podestá, regional managing director of Dachser Far East Ltd., on the China growth market.

**Mr Podestá, China is a booming market. What are your experiences in logistics as a result of this?**

The company began operations in China back in 1976 in Hong Kong. Since then, the company has continuously expanded its business activities from a traditional freight forwarder to a full-service logistics provider. This development reflected market trends and responded to the needs of our customers. Today, the world economic trend is moving towards more closely tying the markets of India, Europe and America to China. As a provider it is important to offer integrated solutions.

**What does Dachser offer its customers in the Far East?**

Some 600 employees provide extensive logistics services at the major transport hubs within Greater China. Our portfolio includes "door-to-door imports and exports" in air

and sea logistics as well as warehousing in contract logistics. We can offer seamless supply management backed by our own IT systems, such as Mikado.

**What plans do you have for the future?**

Dachser is pinning its hopes on dynamic, significantly higher than average growth. We are currently present in 15 cities and have plans to open more offices in order to expand our geographical presence. In this, we have set our sights on industries with long-term growth potential, such as consumer electronics, renewable energy sources and the automotive sector. At the same time, we are continuing to grow in traditional business segments like textiles, gift and promotional articles.



Read more about Dachser in China from page 10. You can read the full interview at [www.dachser.com/foreast](http://www.dachser.com/foreast)

Intercontinental network

# Dachser expands in the USA

Dachser's intercontinental network is continuing to grow. The tenth Dachser U.S. location has recently opened in Cincinnati. The office is just under ten kilometres from Cincinnati-Northern Kentucky International Airport and offers all transport and logistics services for the Ohio, Kentucky, Southern Indiana and Eastern Michigan catchment area. "Our goal is to be present with branches at all major air and sea ports in the United States," says Frank Günzerodt, Dachser's national manager in the U.S. Setting up the Cincinnati office is an important step in this development. "We will open more branches in the United States this year and in this way intensify our proximity to our customers."



Shipment Control

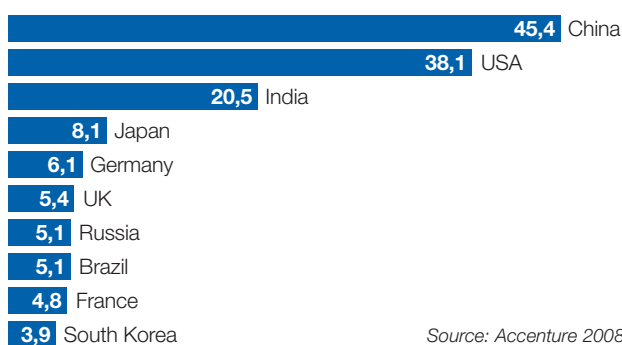
## Control at your fingertips



Dachser has had a sophisticated Tracking & Tracing system for over 16 years. The logistics provider makes use of its many years of experience in this field to continually surprise its customers with new and ingenious features. As in the case of Shipment Control for example: The eLogistics application is available in ten languages and makes every single consignment handled by Dachser or its partners absolutely transparent for users. This transparency goes both ways: customers cannot only trace shipments of which they are the consignor, but also those of which they are the consignee. With a single mouseclick they can change the view perspective and immediately have all the information they need at their fingertips. Corporate groups or decentrally structured companies with many different dispatch points can obtain the required overview by means of an overall search function across individual customer numbers. Dachser customers currently monitor as many as two thirds of all shipments in Shipment Control.

## World's biggest national economies in 2025

Real gross domestic product in purchasing power standards in \$ billions



Source: Accenture 2008

You can read the full article at [www.dachser.com/shipment-applications](http://www.dachser.com/shipment-applications)  
 We will be happy to show you Shipment Control in detail.  
 Your Dachser branch looks forward to hearing from you.  
 Contact your nearest branch: [www.dachser.com/network](http://www.dachser.com/network)

Dachser history

# Adventures in corporate history

Writing about corporate history is a difficult business. Even for economic and business historians. Paul Erker, lecturer at the University of Munich and a high-ranking economic and business historian, recently researched 75 years of Dachser history. The result is a 324-page book, recently published under the title: "The Dachser logistics company. Global competition and the strength of the family business" (published by Campus). In order to get to grips with 75 years of corporate history, the historian had to dig deep into the archives. "The time and effort needed to produce an academic corporate history study is between two and two-and-a-half years." The most important material – minutes of the branch managers' con-



Paul Erker



ferences, minutes of the former Dachser management conferences, of the management meetings, the administrative board as well as balance sheets and internal business reports – was provided by the company itself. "Altogether the material copies filled seven large packing cases." "Laudatory hymns" to the company were not what was required of the historian. "That is already ruled out by one's own position as an independent corporate historian." The book therefore also addresses a few conflict situations that were important milestones in Dachser's evolution. "The decisive point was that all involved acted in concert and learned from mistakes," Erker concludes.

Not only for Dachser, but for other companies as well a "looking back to look ahead" attitude is vital for survival in the competitive marketplace. "The publication of the book does not mean that 'corporate history' will no longer be a topic in the decades to come," Erker points out. On the contrary, the results should continue to be integrated into the company's day-to-day operations. One step in this direction is the Dachser project to set up a historical archive and develop future archiving strategies.

**[www.dachser.com/history](http://www.dachser.com/history)**  
Here you will find more information about Dachser's corporate history.

## The Western Balkan transport market

In mid-May, the EU Commission presented proposals in Belgrade, Serbia, for a "Transport Community Treaty with the Western Balkans". The purpose is to work towards an "integrated market for road, rail, inland waterways and maritime transport" including the related infrastructure and the alignment of the key provisions with Community law. The aim is to provide companies with more legal certainty and scope for action for services in the finance and transport sector.

### In brief

Last year, SynLOG reported over 4.5 million shipments with a weight of more than 1.7 million tonnes. This was an increase in weight of almost 20%. On September 25 the association celebrates its 10-year anniversary. More on page 12 and on the Internet under [www.dachser.com/diylogistics](http://www.dachser.com/diylogistics) and [www.synlog.org](http://www.synlog.org)

Dachser values

# Innovations

>> are the quality of tomorrow.  
 They are new products or services developed from ideas, introduced onto the market and for which there is a market demand



GPS treasure hunt

## Pointer from heaven

Space is a pretty useful place. Above all because of the many satellites that continuously send information back down to earth. One thing to benefit from this is the Global Positioning System, GPS for short, as a close-to-perfect locating instrument. Logistics specialists have used it for a number of years for the gap-free tracking of shipments along the supply chain. But no technology is so sophisticated that it doesn't hold out the temptation to play. "Geocaching" is the name of an electronic treasure-hunting game in which with the help of GPS, participants hide and seek "treasures" anywhere in the world. This is made possible by simple GPS receivers such as those integrated nowadays in mobile phones, handheld computers and other mini computers. Treasure hunters from the ever-expanding global geocaching community enter the coordinates of their "cache", which are obtained by others from Internet portals such as [www.geocaching.com](http://www.geocaching.com). Today, almost half a million hidden "treasures" around the world are registered on websites devoted to the pastime. In the USA alone, some 223,000 "caches" were hidden in tree stumps, burrows, caves, behind signs, under park benches and similar hiding places in 2007.

The modern-day treasure hunters are not after riches. Instead of gold and precious gems, they find waterproof containers containing a logbook and exchangeable trinkets. The rules of the game are simple: "Get some stuff, leave some stuff". The whole process is neatly recorded in the logbook – for the next person to find.

The game caters to families as well as navigation "nerds", who not only use coordinates for the search, but also integrate obstacles, such as staged multi-caches or devious "mystery caches", where the "owner" changes the coordinates of his "treasure" in the course of the search. Whether tricky or easy, in this logistics game only one thing counts, the journey is the reward.





### Bernhard Simon

is spokesman for Dachser management. The family-owned company has set itself the task to promote young and committed employees around the world. As part of this engagement, Dachser offers junior staff a number of possibilities for personal development, including international exchange programs, seminars, and numerous training and further training schemes.

# Bernhard Simon meets David Schmutzler

Now, more than ever, specialized and managerial staff are in demand in growth markets such as logistics. Dachser managing director Bernhard Simon spoke to Dr David Schmutzler about the “war for talents”.

**Bernhard Simon:** The demographic development in industrialized nations is generating competition among companies for skilled young people. How are you, Dr. Schmutzler, experiencing this “war for talents”?

**David Schmutzler:** This development is still in its very early stages. A few years from now, the war for talents will be even greater. Yet it is already proving increasingly difficult to find qualified young, skilled, managerial staff. In the past few years, a demand for new talents has built up, with not enough young people graduating from university to meet it. This is particularly the case in engineering science. But it also affects sectors such as the natural sciences, computer science or logistics. Therefore, companies must start looking for innovative solutions today to

ensure that they do not lose out in the competition for qualified staff tomorrow.

**Simon:** Motivated and innovation-minded employees are a decisive factor in our company’s success. Targeted personnel development mea-

to these junior programs, we are able to fill vacant positions with in-house specialists and offer these young people attractive career prospects. However, we, too, must prepare ourselves for the upcoming skills shortage.



Our goal is to systematically prepare Dachser’s managers and staff for the continuously changing tasks and challenges of our industry

asures, such as the courses organized by the Dachser Career Centre, help us to recognize and cultivate their potential. Dachser also attaches great importance to the matter of training. This year alone, our branches in Germany are looking after around 1,000 trainees, with many more being supervised by our companies in the various countries. Thanks

**Schmutzler:** Good professional training is one aspect, internationality the other, especially during one’s study time. Gathering experience abroad is very important nowadays – and in future it will be indispensable. This also means that all ambitious young job applicants should gain international ex-

David Schmutzler

is CEO of CareerConcept AG and was recently nominated by the World Economic Forum as “Young Global Leader 2008”. The 32-year-old, who holds a doctorate degree in business administration, has developed his company into the world’s biggest provider of educational funds in today’s market. These are aimed at offering young and talented people a socially acceptable means of financing their studies.



perience while they are still at university. An excellent command of English is taken as a matter of course – but a stay abroad also teaches other skills and prerequisites for later success. To get ahead in one’s job, it is essential to have an international mindset.

**Simon:** Absolutely. And that not only applies during training and studies. Dachser is a people company. Therefore, our goal is to systematically prepare Dachser’s managers and staff for the continuously changing tasks and challenges of our industry. We do this by offering seminars and further training schemes, supplemented by coaching and work in the Assessment Centre. As well as the requisite language skills, our managers in particular must show an understanding for other cultures. For example we achieve intercultural competence through international employee exchanges in the form of job rotation or trainee programs.

**Schmutzler:** Internationality also means flexibility and openness. Today’s managers must possess more than just classic management skills. A business-focused approach, self-initiative, personal responsibility and creativity are qualities that need to be increasingly trained. The degree of intensity with which these abilities are developed is to a large extent influenced by the respective environment, starting with parents, school and friends. But motivation ability and innovativeness can also be learned later on at university or the beginning of one’s career. Sur-

rounded by motivated and innovative colleagues, new employees are far more likely to be swept along and benefit accordingly. Hence the corporate culture certainly plays an important role.

**Simon:** At Dachser, this is traditionally characterized by the fact that the employees and shareholders share the same values. In this context, hands-on entrepreneurship is

ible. A lot of qualities are needed to succeed professionally. In future, careers will become even more individual. The dividing line between entrepreneurship and management will become more and more blurred. All these different careers will have just one thing in common: a high pace.

**Simon:** At Dachser, the ideal career plan is oriented towards the long term and ac-



Companies must start looking for innovative solutions today to ensure that they do not lose out in the competition for qualified staff tomorrow

given top priority. A key element of this is freedom in our decisions, which in our company are always in accord with long-term strategies. It is consistent with our culture to encourage our employees to contribute innovative ideas to the company. To support this, we have set up an innovation circle made up of employees from different sections, with the task to develop and promote innovative projects.

**Schmutzler:** It is also extremely important for students to gain experience doing project work. I therefore think it’s a good thing when companies make a financial commitment to universities. Endowed chairs often have a strong practical orientation. And that’s precisely what’s missing on some study courses. Nowadays, people have to be extremely flex-

companies managerial staff along all stages of their career. Apart from general training, we also develop individual training measures in line with staff qualifications. Proprietary training and further training schemes are particularly effective for the transfer of company-specific knowledge. But the company-sponsored “Thomas Dachser Endowed Chair” at the University of Applied Sciences in Kempten also helps us to establish a close link between theoretical and practical expertise. This benefits all concerned.

For more information about educational funds and further training go to [www.grantsalert.com](http://www.grantsalert.com)



# A bridge to the world

In China, growth is written with a capital letter, in both the procurement and the sales market. Dachser Far East builds bridges to international trade in China today as well as in intelligent logistics.

>> To know what you know and to know what you don't know is the characteristic of one who knows." This wisdom taught by Confucius more than two-and-a-half thousand years ago is still relevant for China today. Also and particularly in logistics. Dachser first began operations in China back in 1976. Fully in the spirit of Confucius, the company offers "Intelligent Logistics" in China, backed by a wide range of services. These extend from inner-Asian transport operations, through warehousing, distribution, customs clearance, to air and sea freight. Dachser is currently focusing on building up contract logistics services on the Chinese market.

Thanks to its early entry into the Chinese market, Dachser is perfectly acquainted with the market conditions, which are in constant

flux. "We were present with close cooperation agreements when the country slowly began to open up to the world at the end of the eighties and became the focus of an increasingly globalized economy," explains Edoardo Podestá, regional managing director of Dachser Far East Ltd. (DAFE) in Hong Kong. The company has operated in China under the "Dachser" name since 2003. In the interim, DAFE has increasingly sharpened its profile. A Greater China Head Office was opened in Hong Kong and operative business distributed across four core regions (Hong Kong, North China, South China, Taiwan). These were joined by the foundation of two so-called Wholly Foreign Owned Enterprises (WFOE) in North and South China (Dachser Shenzhen Co. Ltd. and Dachser Shanghai Co. Ltd.), a joint venture



Dachser Far East: 15 branches in China

» We have the solution  
for global distribution  
in the 21st century.

in Taiwan, as well as the opening of eight other offices across China. This entrepreneurial dynamism mirrors the prevailing spirit of the times. China, in the meantime, is the fourth largest national economy and the third largest trading nation in the world. "The best growth prospects worldwide" is the attestation the German Office for Foreign Trade (Bundesagentur für Außenwirtschaft) also makes for the Chinese logistics market. Industry experts forecast annual growth rates of up to 30% here in the short and medium term. The Hong Kong Shipper's Council Industry Association anticipates that China's logistics market will increase to a volume of over 144.8 billion US dollars (around 116 billion euros) by 2010.

### Controlled quality

"Our strategy is geared towards consolidating our market position and continued 'healthy' growth in the logistics market," says Edoardo Podestá. This also implies a pragmatic and forward-looking positioning within the country. "This is why we are investing in additional offices close to sea and airports, in warehouses with a good infrastructure, and as customer requirements make it necessary, in developing new locations in central China."

15 Dachser branches currently ensure seamless integration of all import and export activities to and from the booming national economy. One hallmark of all the locations



At Dachser Far East, like all over the world, customer service is written with a capital letter

is the close cooperation with the extensive local logistics network, warehousing with substantial high-shelf store capacities as well as optimal strategic links to the major sea and airports. "This enables us to offer our customers optimal access to international markets," Podestá comments. In doing so, Dachser acts as a full-service provider. "It is one of our particular strengths that we combine logistics with exacting quality controls and value-added services." And this is something that especially for customers in the consumer electronics, renewable energies and automotive sectors, as well as in industry and retailing, is becoming ever more important. "Dachser supported us with our entry into the European market. Not only with detailed information about air and sea freight and overland transport. We were also offered flexible, creative and comprehensive solutions," comments Asuka Hsu, Director Strategy & Marketing Division at Chunghwa Picture Tubes Ltd. in Taiwan.

As a full service provider, Dachser Far East assumes the entire Picking & Packing as well as inventory and warehouse management. The standards are high. All major Chinese cities can be reached from Dachser's warehouses within 24 to 72 hours maximum. "We have the solution for global distribution in the 21st century," says Podestá with pride.

He adds, "All signs point to continued growth." From 2004 to the present day alone, the number of employees has swollen from 130 to some 600. Part of the strategy included a joint venture in Taiwan entered into in 2004 with the aim of integrating this key industrial and technology location into Dachser's extensive portfolio in the Pacific region. Expanding market activities is also unproblematic because in China, like all over the world, Dachser manages complex goods flows with clever and above all globally networked IT. The Mikado Warehouse Management System, for example, ensures delivery reliability and maximum transparency in the goods flow. In conjunction with EAN/SSCC barcodes, this software enables customers to track the whereabouts of their goods anywhere in the world in "real time".

### Building block for the future

State-of-the-art technology is also very much in evidence at the Shanghai Logistics Centre, which opened its doors in 2007. The facility's new warehouse, offering around 6,000 square metres of storage space and dedicated capacities for high-value freight, is close to downtown Shanghai with direct access to motorways, airports, sea ports and the rail network. Both local and foreign customers in China regard it as being "German" in the best possible sense. As well as epoxy resin-coated floors and high-quality shelving systems, the warehouse features smoke alarms, sprinkler systems and fire extinguishers. Additionally, a security service provides non-stop around the clock protection.

Thomas Reuter, managing director of Dachser Air & Sea Logistics, travelled to Shanghai for the opening of the facility last year. "This logistics centre and its connection to the worldwide Dachser network is a further building block for the future," Reuter stated at the time. "Asia, and 'Greater China' in particular, is a key region for our future growth." Freely adapted from Confucius: To know what you know and to know what you don't know is the characteristic of one who succeeds.



Pointing the way in logistics: Dachser in China

Visit our Greater China website, which exists in three languages:

[www.dachser.hk](http://www.dachser.hk)  
[www.dachser.cn](http://www.dachser.cn)  
[www.dachser.tw](http://www.dachser.tw)



# Together even stronger

The SynLOG cooperation project successfully consolidates goods flows. In worldwide procurement, Dachser also offers quality controls.

>> More than 100,000 products that could scarcely be more diversified: the product lines stocked by building equipment/DIY stores and garden centres pose quite a challenge. Ranging from bulky garden furniture to filigree screws, from tiny flower bulbs to unwieldy cement mixers – everything in store is ready to answer an ever growing demand. Keeping customers happy confronts logistics providers with an exacting task.

Especially in today's era of globalization, products are procured from all over the world. "Almost 50% of the merchandise in DIY stores nowadays comes from the Far East," comments Ralf Meistes, who is responsible at Dachser DIY-Logistics for the global supply chain. If all these products had to make their way from manufacturer to shelf in individual consignments, there would be endless bottlenecks at the ramps of DIY retailers. This re-

alization called the manufacturers' associations Industrieverband Garten (IVG) and "BAU + DIY" into action in 1998. "The syndicated forwarders recognized at the time

>> SynLOG can see itself as a groundbreaker and pioneer in finding more efficient solutions.

that only collaborative solutions could lead the way forward efficiently and sustainably," says Dr Peter Wüst, managing director of the manufacturers' association "BAU + DIY", looking back on the early days of the cooperation. The result was a concept in which all those involved cooperate in a cross-company

network. The participating logistics services providers collect screws, lawn mowers and fertilizer from different manufacturers, transport them to a hub, and group individual consignments for each DIY store. Goods procurement in the Far East works according to the same principle. With 15 branches in China alone, Dachser can rely on an excellent network in this market and, in cooperation with its partners, in the meantime also offers quality controls. "Prior to shipping the goods in China, our engineers count, measure and weigh the consignment. This allows us to safeguard the quality interests of European consumers," stresses Meistes. Here, too, the synergies take effect to the benefit of all those involved in the process. "After all, not every European manufacturer in China has a dedicated team responsible for ensuring that the goods comply with stringent European standards."

What's more, SynLOG also enables suppliers from all over the world to reduce ramp contacts to industry and retailers and at the same time optimize goods deliveries in a 24/48-hour rhythm. "The concept has proved successful, resulting in optimally consolidated goods flows along the supply chain. This ensures fair competition," says IVG managing director Dr Gerd Müller-van-İßem with satisfaction. And all those involved are working consistently to improve the network. "In cooperation with SynLOG, we are in the meantime also able to offer in-store logistics," explains Meistes. "Manufacturers can be assured that their merchandise is also shifted quickly from the warehouse to the shelves." In addition, delivery note data can be made available to the stores in real time via Dachser's IT platform DIY-BITS (Business Information Transfer System).

"In times where the supply of goods is becoming ever more complex with reduced stocks and overcrowded transport routes, intelligent logistics is again gaining in importance," points out "BAU + DIY" managing director Wüst. "Sustainability, the CO<sub>2</sub> debate and rising transport costs are increasing the pressure to find more efficient solutions. SynLOG can justifiably see itself as a groundbreaker and pioneer."

*K. Fink*

[www.dachser.com/diylogistics](http://www.dachser.com/diylogistics)

Here you can find more information about Dachser DIY-Logistics.



## Perfect timing

Europe without boundaries: entargo makes it possible. Dachser's product links markets and customer requirements with uniform standards.

>> In 80 Days around the World: In the 19th century, Jules Verne's novel, *Around the World in Eighty Days*, had the entire world was holding its breath. But the present day is just as breathtaking. Today, Dachser covers some 640,000 kilometres every single night in its own groupage network. This corresponds to a journey equal to 16 times around the world. And this feat is not science fiction; in fact at Dachser, it is the result of a standardized, process-controlled transport



Logistics services with tested quality: this is the entargo hallmark. The product family is designed to meet individual customer requirements. All products share the same high quality.

service which is based on uniform IT systems and becomes tangible for customers under the melodic name entargo. The brand sets high standards – to meet customer requirements in the near term, at precisely determined times and with uniform quality standards. Between 15 European countries in which entargo is currently available, customers will find the same product name, identical product advantages and reliable quality systems.

The basis for this success is the closely-meshed Dachser network. It is linked in Europe, among other things, with 3,620 daily scheduled services and the EURO-HUBs, one located in Überherrn in the Saarland, Germany, and one in Bratislava, Slovakia. Added to these are a number of regional platforms. By optimizing quantities, capacities, and time, it is possible to achieve the best possible area-wide supply, allowing operations within the European economic area to be organized according to fixed delivery times. At the same time, Dachser's service standards are subject to stringent quality controls. "entargo has enabled us to make logistics processes controllable and consequently to develop customer-oriented solutions at all times," ex-

plains Birgit Kastner-Simon, Marketing division manager at Dachser. The goal is to make logistics processes as standardized as in industry, and at the same time offer customers individual, tailor-made solutions. "This dependability gives us a real competitive edge." Three product lines make entargo effective: targospec for speed – either with defined kilometre radii from the point of departure or delivery services at fixed times. targofix is oriented towards fixed delivery dates that are precisely monitored in line with customer needs. targoflex ensures reliable delivery with greater delivery date flexibility.

Common to all entargo products is the "proactive" shipment monitoring. "Combining the performance standards with Dachser's IT system via the Shipment Control eLogistics application permits gap-free Tracking & Tracing. The customer knows at all times precisely where his shipment is," explains Jens Müller, responsible as division manager for organization within the European network. Extensive transparency and planning reliability are crucial performance characteristics for reliable and effective logistics solutions. entargo is reliable. The brand has long since established itself as a seal of quality. Understood like this, logistics does not become an adventure. We have science fiction for that, after all.

### entargo advantages

- Uniform standards in all entargo countries
- Full-coverage product range
- Simple online product selection
- Proactive shipment monitoring
- Gap-free Tracking & Tracing
- Uniform quality management system

The entargo countries are: Austria, Belgium, Switzerland, the Czech Republic, Germany, Denmark, France, Hungary, Luxembourg, the Netherlands, Poland, Slovakia, Spain, Portugal and Italy

# Highways and information superhighways – Dachser's networks

While the pallets are coasting along the highways, data is at the same time speeding along information superhighways – as a preferred service provider, Dachser moves virtual as well as physically tangible products for the industrial giant Emerson.



>> When back in 2003 Emerson Process Management, a company belonging to the Emerson Group based in St. Louis, USA, and a manufacturer of valves, pressure and temperature measurement instruments along with other products in the field of automation technology, was looking for a new logistics services provider, Walter Enz had a clear requirement profile in mind. “Our invitation to tender particularly prioritized two things,” the logistics director at Emerson Process Management Europe remembers. “On the one hand, we were looking for a provider with a pan-European network, in other words offering a full-coverage service



With smart IT and pan-European standards, Dachser manages goods flows for Emerson

throughout Europe. On the other hand, we also attached importance to a standardized IT platform that allowed easy integration of our own IT systems.”

Before calling for tenders, Emerson’s products in six European plants were transported to customers by six different forwarders: “Less than optimal,” Enz now admits. Hence the prioritization of a Europe-wide network and EDP from a single source. “A comprehensive IT solution to which we had to set up only one interface was something even many larger logistics services providers were unable to offer.”

The choice fell to Dachser. Thanks to its IT expertise, coupled with 156 locations across Europe, the internationally active logistics provider was the obvious choice for the role of preferred service provider for Emerson’s groupage freight.

Dachser has managed the distribution to 25 countries from Emerson’s locations in Germany, Hungary, France, and since 2005, in Denmark and Romania . “As preferred service provider, we must not only be in a position to transport pallets from A to B like a classic captive freight carrier; rather, we are responsible for developing, implementing and organizing the entire supply chain. The intelligent management of goods flows, as well as networking and consolidating all the relevant information are the key tasks in this,” explains Michael Garmatz. He is Dachser’s key account manager for Emerson. The Tracking and Tracing is done via the servers at the computer centre at the company’s head office in Kempten. “Thanks to the integrated and networked cooperation, Dachser has established itself as a strategic partner to Emerson and assumes essential tasks for our company,” says Enz.

Just how important information technology is for logistics services providers is revealed in the study “IT in contract logistics” conducted by the Fraunhofer Institute and the IT solutions provider Salt Solutions. All participants, the study interviewed executives from the top 100 logistics enterprises, named IT systems as a key differentiator from the competition. “The necessity to become networked is growing if we are to fulfil the requirements for up-to-dateness and process quality,” the authors conclude. On the other hand, they note, integration costs and normal running costs swallow more than half of the IT budget. Given this figure, the au-

thors consider it “understandable that customers should decide in favour of contract logistics providers who have IT competence and are able to optimally connect up to the customer’s ERP solutions”.

Emerson gives the example of a successful implementation. In its logistics operations, the company uses the shipping software of an Irish company; Dachser, in turn, connects up to this via EDI (Electronic Data Interchange) with its proprietary Domino software. This solution integrates the entire order processing and transportation management, it offers technical support for freight processes, order monitoring, Tracking & Tracing and organizes invoicing, packaging material management, and scheduling.

### Pan-European standards

At least once a day, all data pertaining to Emerson are exchanged between Dachser’s IT centre, where over 200 specialists are employed, and Emerson’s data centre in the UK. Like 3,500 other Dachser customers, Emerson also relies on the EDI process. Dachser transmits over 50,000 forwarding orders, loading and unloading lists, as well as status reports to its EDI partners on a daily basis. In addition to customers like Emerson as well as Dachser partners and haulage companies,

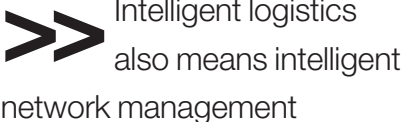


Customers have a hotline to their shipments

the EDI centre also communicates with banks, customs authorities and Deutsche Telekom.

But the virtual side of logistics is preceded by the physical movement of goods. With over 3,620 scheduled departures a day, Dachser ensures a gap-free supply chain across the whole of Europe. “Our customers can rely on uniform pan-European standards in logistics handling and seamless transparency in the shipment process,” key account manager Michael Garmatz points out. Irrespective of whether shipments are effected from Hvidovre in Denmark or Pilisvörösvár, a suburb of Budapest in Hungary – the quality standards and processes are always identical.

In Hungary, for example, Dachser’s Pilisvörösvár branch, in close cooperation with order processing, picks up semi-finished and finished products from Emerson on a daily


**Intelligent logistics**  
 also means intelligent  
 network management

basis in nearby Szekesvehervar. The time slot for collecting the goods is synchronized with the European departure schedule for the main carriages that Dachser operates from Mondays to Fridays. This is an important prerequisite to enable Emerson to meet its customers’ shipment time requirements.

Emerson services its customers everywhere in Europe to the same quality standards. This requires the systematic and intelligent management of goods flows. In order to ensure an equally prompt service in peripheral areas as well as economic centres, Dachser offers clearly defined shipment times tailored to individual requirements.

“Because intelligent logistics also means intelligent network and information management,” as Garmatz points out, the information flows travel over the data network in parallel to the trucks on Europe’s highways. For example, prior to collection every consignment is labelled with the Serial Shipping Container Code, SSCC for short. The EAN-128 barcode makes it possible to track shipments and identify them at the respective interfaces. Garmatz: “Data are read in at the interfaces throughout the entire shipment process so that the current status information is always available in real time and within



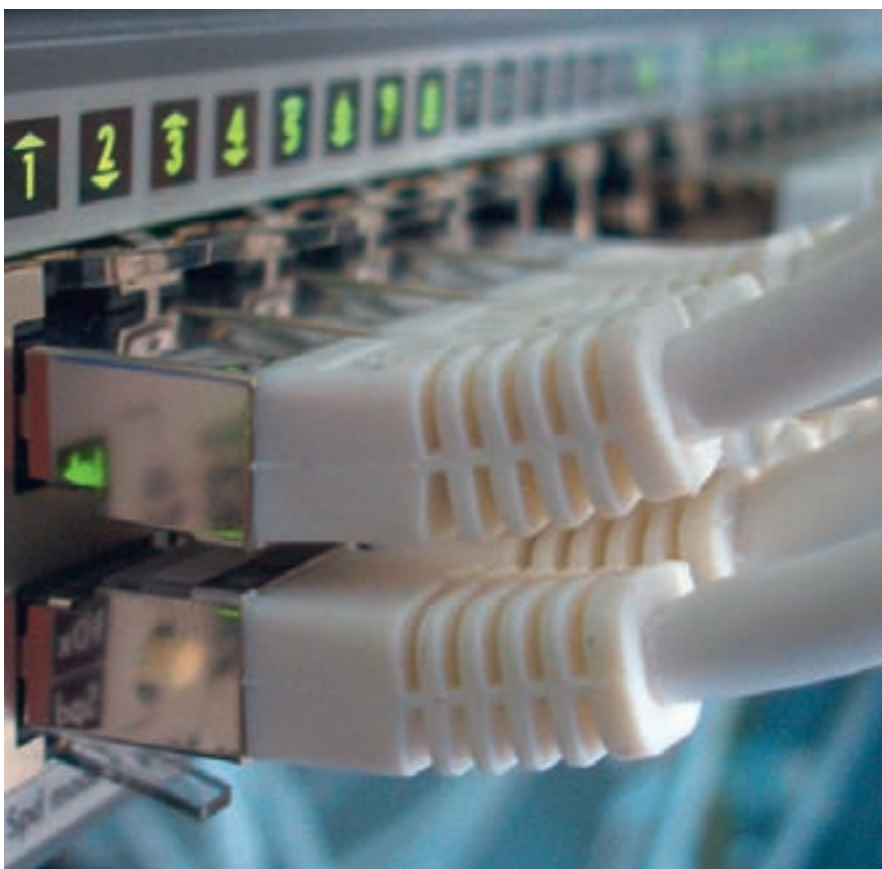
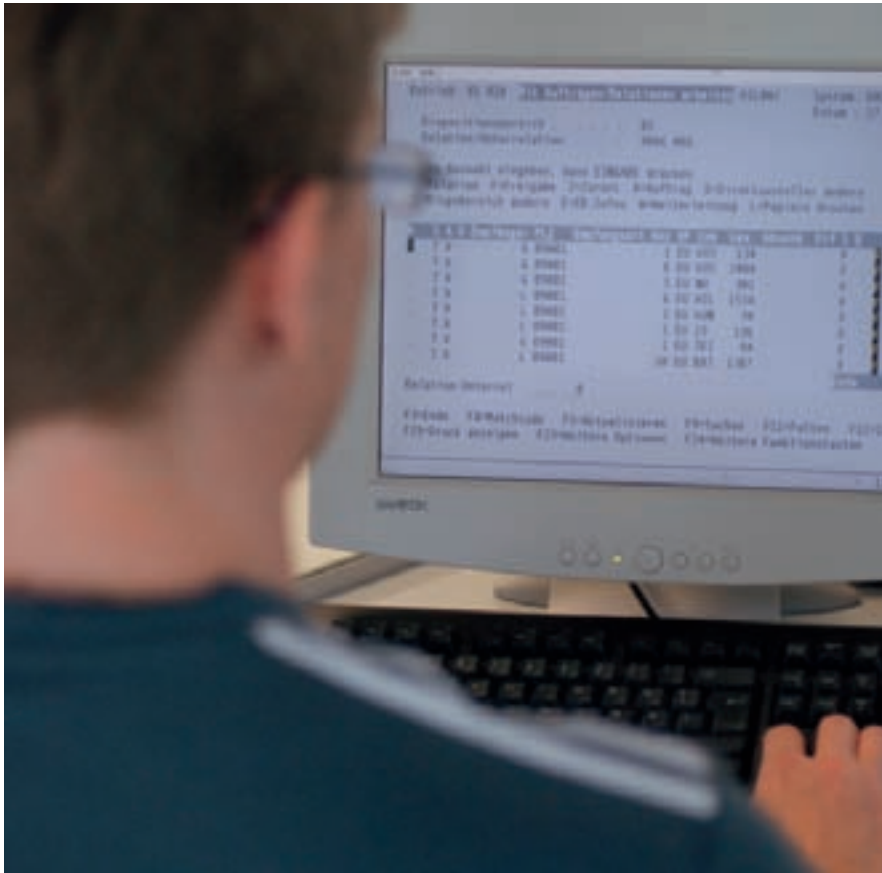
Emerson is an industrial corporation based in St. Louis, USA, which operates in the fields of process automation, electronics and telecommunications, industrial automation, air conditioning and refrigeration technology as well as equipment manufacturing and tool engineering. The company has 265 production sites around the globe and employs a workforce in excess of 140,000 people. Sales revenue in the 2007 financial year amounted to USD 20.1 billion, with slightly over half of this figure being generated outside the US. The group is organized under eight different brands; one of which is Emerson Process Management with headquarters in Austin, Texas, a leading supplier of automation technology systems.

**Dachser was known to Emerson even before Emerson Process Management and Dachser became partners – through a long-standing, good cooperation between Dachser and the Rosemount company in Wessling, a division of Emerson Process.**

a matter of seconds to all those involved in the process.”

The shipping notification, as Walter Enz calls it, is sent as a pdf file to Emerson Process Management’s sales organization. On arrival of the shipment at the receiving Dachser branch, the barcodes are again scanned there by means of a handheld computer. Emerson’s sales staff can trace the status of the customer delivery by logging on to the software via the eLogistics domain on the Dachser website.

If a staff member at the Dachser transshipment terminal identifies an error on the goods packaging, he or she immediately captures this with a digital camera. Accompanied by additional information, the image is transmitted to Dachser’s central archiving system where it is stored together with the



Powerful network: servers bundle information for gap-free shipment monitoring

consignment number. Such unforeseen events also trigger a message in the “Active Report” Supply Chain Event Management tool which immediately and automatically advises the responsible customer service centre at Emerson by e-mail, without the latter having to enquire further. In many cases, however, this tool does not even have to be activated. “Dachser’s reliability rate is very high, and so is the satisfaction level of our sales organization,” stresses Emerson’s logistics manager Walter Enz.

The next step is to load the consignments onto the delivery trucks. Again the barcodes are scanned with mobile handheld computers and Dachser’s loading staff are informed which tour the goods are designated for. Fixed loading routing eliminates errors, allowing consignments to be loaded reliably. To guarantee gap-free shipment monitoring in real time, the drivers of the 7.5 tonne local transport vehicles are also equipped with Penkey computers, via which they immediately transmit collection and delivery data wirelessly via GPRS to Domino. On delivery, the driver asks the consignee to sign on the Penkey computer as confirmation of receipt of the goods.

**Nipping problems in the bud**

The electronic proof of delivery is the last step in the physical delivery process, but the information process still continues. Now the delivery reports are produced. These are also transmitted via EDI to the Emerson IT platform in the UK, where they are stored.

Once a month, Emerson receives a so-called management report. This examines whether the agreed quality criteria, such as punctual delivery, etc., have been met. Regular meetings are held between Dachser and Emerson to develop further potential for optimizing the collaboration.

So far, in several years of cooperation, there have been very few causes of friction. Walter Enz explains, “We are now seeking to recommend Dachser to other business segments within Emerson and the corporation.”

*M.Kubli*

[www.dachser.com/european-services](http://www.dachser.com/european-services)

Here you can find further information about intelligent solutions in IT-managed logistics.



# Give way to food

Retail logistics involves more than just transporting goods from manufacturer to retailer. A logistics services provider really shows its true mettle in critical situations. Here, too, it must rise to the challenge.

>> It is cold. The thermometer shows just four degrees. And it's early in the morning. Shortly before four. The workers in their blue thermal jackets, some wearing caps, others with gloves, drive through the hall on electric pallet trucks. 20 laden pallets stand at the entrance to a loading bay ready for dispatch: cooked ham and Parma ham, puffed rice and buttermilk, low-fat curd cheese and half-fat butter. One by one, they disappear onto the load area of the yellow and blue Dachser truck at Bay 70.

Today, over 400 tonnes of fresh foodstuffs are in the refrigerated warehouse at the Dachser

## The challenge of international retail logistics

The growth in international retailing has continued unabatedly for a number of years. In this context, the ongoing boom in Asia has more than compensated for the one or the other loss in the USA and Europe. This is especially the case in the food sector. According to Deutsche Bank Research, rising incomes and the increasing tendency to emulate the western style of living also explain why people in emerging economies are consuming around 60% more cheese, 30% more butter and 40% more meat. Today, a high proportion of the organic products on the shelves of European supermarkets comes from China and eastern Europe. Against this background, effective supply chain management becomes a decisive competitive and locational factor worldwide. And it also poses new challenges for food logistics. Because producers expect foodstuffs to reach consumers without any losses in terms of freshness, despite global procurement. This places high demands on logistics: from gap-free traceability and temperature documentation to continuous quality controls – worldwide.

A. Heintze

branch in Kornwestheim, near Stuttgart. Some of this is already on order for the following day, but most of it has to be delivered today by 1 p.m. Normally there would be nearly 80 tonnes less but tomorrow is a public holiday. Short weeks like this always pose a special challenge for the scheduling team under Robert Junghardt, head of Dachser Food Logistics in Kornwestheim.

Much of the logistics work was already done the previous evening. By around 10:30 p.m. the scheduling team know which goods are to be transhipped the following day. By midnight at the latest, 80% of the consignments are already in the system. The scheduler on the computer then allocates the goods to the available vehicles. Junghardt can only rely on experience to a limited extent. This is because depending on the season and how the public holidays fall, goods volumes can often fluctuate quite significantly. And if more is ordered than usual, the guys in scheduling start to grow nervous. Like yesterday. When a number of customers had placed larger orders just before the holiday. Several full articulated trucks, more than usual, needed to get on the road. But no matter

how much the schedulers dialled their fingers to the bone, they were unable to find a haulage contractor who happened to have time. Only at the last minute did Dachser manage to find a driver. The goods were delivered. "Loading space is in short supply," says Junghardt. Optimum organization is therefore a daily challenge.

➤➤ Dachser joins forces with retailers to find intelligent solutions

Nevertheless, to ensure goods are delivered to customers on time, the truck driver, like today for example, takes along a package for a hotel that lies en route. The driver must deliver ten kilograms of fresh fruit to the Panoramahotel in Künzelsau before continuing on his tour to the retail stores. "In this way, smaller consignments also reach their destination quickly without the need to send out a separate vehicle," explains Junghart. Flexibility comes up trumps.



Shelves are always filled in the supermarket: thanks to intelligent logistics



The optimum organization of inbound and outbound goods is a daily challenge

“Some customers still insist on being issued a delivery note for every pallet, although they could also obtain the data electronically,” Junghardt says. “However, reconciling the lists on the spot costs the driver valuable time. Especially in holiday periods, such as Christmas and Easter, this leads to severe bottlenecks at the goods delivery points of the central retail warehouses,” Junghardt explains.

### There’s no panic

For this reason, Dachser has joined forces with retailers to look for solutions. As in the case of Metro. The retail group has been working together with Dachser Food Logistics since the beginning of 2008 – with great success, Frank Wiemer, Chairman of Metro Group Logistics affirms: “Thanks to

Dachser’s dense network, it has been possible to reduce shipment times from suppliers to the retail stores from 48 to 24 hours.”

It’s 6 a.m. 353 consignments with almost 250 tonnes of foodstuffs are still waiting in the hall. Despite the narrow time slot, there’s no panic. When the drivers collect their delivery notes from the schedulers, there’s always time for a quick chat at the counter. For the staff, the race against the clock is routine. Junghardt: “We are very well organized – not only here in Kornwestheim, but across the entire Dachser group worldwide.”

When the 52-year-old drives into the yard at around 8 a.m., he quickly gauges what awaits him. “If there are only four articulated trucks left at the bays, I know it has been a good night.” Last night wasn’t a good night. Following an accident at dawn, the A8 motor-

way near Stuttgart airport was closed. Many of the trucks arrived at the bays with a two-hour delay. But Junghardt keeps his cool. The night shift have done a good job. Nearly all the trucks are back on schedule.

➤➤ In the chocolate warehouse it’s a spring-like 12 degrees

With a glance at his computer, Junghardt checks how things are going. Truck 985, which was at Bay 70, was loaded up by 4:11 a.m. It has been on the road since 4:45 a.m. By 6, it has to be at Rewe in Neuhausen. After unloading, it drives to a major sausage

producer nearby. At 10, the truck is back fully loaded at the ramp.

Empty runs are almost unknown. On their way back to Kornwestheim, the drivers stop off at the producers and pick up new merchandise. Furthermore, the Dachser group is looking for solutions where customers use the vehicle on the spot for onward deliveries. "As soon as goods arrive at the retailer's central warehouse, they are reconsolidated ready for our drivers to dispatch straight away to the individual retail branches," Junghart explains.

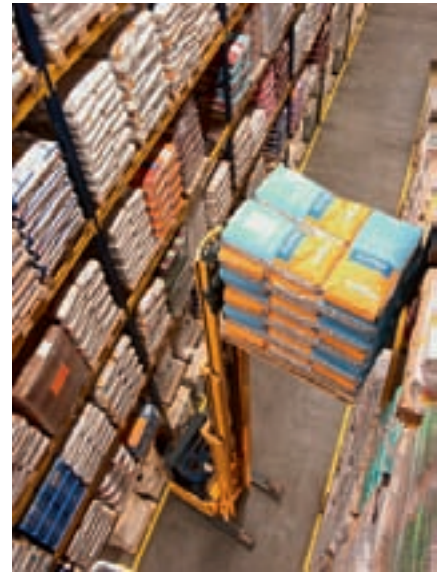
At 10 a.m., things calm down. It's then time for the so-called hall inventory. All goods in the hall are scanned and their status is electronically checked. Now, at the latest, any forgotten pallets will be noticed.

While in the refrigerated warehouse it is still wintrily chilly, in the so-called choco-

late warehouse it's an almost spring-like 12 degrees. Cold enough for the confectionery sitting on the shelves.

The fresh food warehouse is slowly filling up; additional deliveries arrive. By 6 p.m., the long-distance transport vehicles must be loaded up before setting off on their journey. Here, Dachser relies on its closely meshed network of 25 food logistics locations in Germany alone. The drivers cover some 300 to 320 kilometres. The refrigerated semi-trailers and refrigerated swap bodies are then exchanged with the respective Dachser colleague and the driver returns to Kornwestheim. No panic. *A. Heintze*

For more information about Dachser Food Logistics go to [www.dachser.com/foodlogistics](http://www.dachser.com/foodlogistics)



Well-organized: despite the narrow time slots, there's no panic in the warehouse



## “Dachser passed the first test with flying colours”

Since 2008, Metro Group Logistics (MGL) has been working together with Dachser Food Logistics. An interview with Frank Wiemer, managing director of MGL.

### In your view, what role will procurement logistics play in the retail food sector in the future?

It will continue to play a central role in the future. Basically, the decision as to whether an article is obtained via the procurement logistics networks or is stored in central warehouses depends on a number of factors. For example, the specificities of the product range, order volumes, storage possibilities in the individual retail outlets and the respective customer requirements.

Since the end of January, you have been working with Dachser Food Logistics in the dry food segment in Germany. What were the key factors behind the decision to

### change your service provider for procurement logistics?

By switching to Dachser, Metro Group Logistics has optimized the quality of its procurement logistics activities in the dry food segment in Germany. Thanks to Dachser's dense network, it has been possible to reduce shipment times from suppliers to the retail stores from 48 to 24 hours, while at the same time improving punctual, high-quality supply to the retail outlets.

### The preparation time was only 90 calendar days. Did the switchover to Dachser Food Logistics on the start date 28 January 2008 go off to your satisfaction?

Dachser passed the first test with flying colours. Despite the brief lead time of only

three months, numerous coordination meetings and talks with countless Metro suppliers, the change of service provider went very professionally.

### What do you expect to gain from your cooperation with Dachser?

Like Metro, Dachser is active in numerous eastern European countries. It is therefore conceivable that the cooperation be extended to other countries or cross-border traffic, especially since food logistics is not only an important business segment for Dachser in this country.

To read the complete article go to [www.dachser.com/interview-wiemer](http://www.dachser.com/interview-wiemer)

Take part – and win in the Dachser competition

## Hong Kong – City of Life

**With over seven million inhabitants, the south-east Asian city-state metropolis is roughly the same size as New York: hardly anywhere else on earth is as exuberant and lively.**

The nerve centre of the metropolis is in Kowloon on the mainland. The best way to discover the former British crown colony is on foot or on the nostalgic tram. Crowds jostle at the markets, where everything from flowers to live fish, toads and crabs are offered for sale. Nathan Road is lined with luxury hotels, department stores and small food stands and forms the main artery running from north to south. At night, visitors can enjoy the breathtaking view from here of the brightly lit skyscrapers on Hong Kong Island.

With the Star Ferry it is only a seven minute ride to Hong Kong Island. The heart of this district lies directly in the area around the ferry pier: Statue Square boasts the city's tallest building, while the Central District is the economic and financial pulse of Hong Kong. Major multinational companies, banks and exclusive shopping centres are all based here.

An absolute must is a visit to Victoria Peak, Hong Kong's most famous mountain. At 552 metres, it is the island's highest point. A majestic landmark, not least because it was named after Queen Victoria (1819–1901), one of the most influential women in history. You haven't seen Hong



**Top in Hong Kong: the regal panoramas from Victoria Peak**

Kong until you have admired the view from the top of The Peak! Especially at night, the viewing platform affords a staggering bird's-eye view over Kowloon and parts of Hong Kong Island. For a taste of the culinary delights Hong Kong has to offer, you should try the Peak Lookout restaurant. Built in the colonial style, it features an inviting palm garden veranda that is definitely worth seeing.

*T. Klier*



**"Sight sea-ing" trips to traditional and modern attractions**

Have we whet your appetite? Then take part in our competition and win a 27-piece cast-iron wok set including 6 porcelain bowls and spoons.

### **Competition question:**

**What is the name of Hong Kong's most famous mountain?**

Send your answer by 31.08.2008 to  
[gewinnspiel.kempton@dachser.com](mailto:gewinnspiel.kempton@dachser.com)

Solution from DACHSER magazine 01/08: The correct answer to the prize question was **The White Nights in St. Petersburg are from the end of May to the beginning of July.** The winner is Anne Herdering from Metelen.

### **Imprint**

**Published by:** Dachser GmbH & Co. KG, Memminger Str. 140, 87439 Kempten, Germany, Internet: [www.dachser.com](http://www.dachser.com) **Responsible for the publication:** Dr Andreas Froschmayer, Head Corporate Development/PR/New Media **Project manager:** Petra Horvath, Tel.: +49 831 5916-200, Fax: -910, e-mail: [petra.horvath@dachser.com](mailto:petra.horvath@dachser.com) **Publisher:** BurdaYukom Publishing GmbH, Konrad-Zuse-Platz 11, 81829 Munich, Germany, Tel.: +49 89 30620-0, Fax: -100, Internet: [www.burdayukom.de](http://www.burdayukom.de) **Managing directors:** Manfred Hasenbeck, Andreas Struck **Publishing director:** Dr Christian Fill **Project manager BurdaYukom:** Marcus Schick **Editors:** Petra Horvath (editor-in-chief), Agnès Chiffolleau, Martin Neft, Aljoscha Kertesz, Tina Klier **Design:** Ralph Zimmermann **Contributors to this edition:** Karin Fink, Michael Kuhl, Alexander Heintze, Joachim Drescher, Christine Schnabel, Barbara Schlotterer **Photos:** all photos Dachser except Dreamstime (p. 14/15), Sammy Minkoff (p. 2), iStock (p. 1, 3, 4, 7, 19, 23), Fotolia (p. 3, 11, 18, 20), Getty images (p. 4), Obi (p. 12), Career Concept (p. 9), Emerson (p. 16). **Printer:** Druckerei Diet, 87474 Buchenberg, Germany **Circulation:** 38,000/50th volume **Publication:** 4 x per year **Languages:** German, English, French

# WHEREVER YOU'RE GOING: WE'RE ALREADY THERE.

DACHSER European Logistics

For us Europe isn't just Budapest or Madrid, it also means places like Oberstdorf, Schengen and Szegedin. With a distance of 640,000 km in our own groupage network and 3,620 daily services, we make sure that your company can reach the whole European economic area via fixed-schedule deliveries.

Reliably. Efficiently. Daily.