

Quality partners to ringfence performance

Standard for terminal quality emerges after three years

Katrin Berkenkopf
Neuss

GERMANISCHER Lloyd and the Global Institute of Logistics are hoping to have their Container Terminal Quality Indicator (CTQI) ready for implementation in the course of this year.

A benchmark for industry performance is widely in demand and operators will not be able to reject that trend, the partners agreed at the presentation of the plans.

"To date, terminals have concentrated on the waterside because they are where they earn the money," said Bernhard Ständer of Germanischer Lloyd. The new indicator, on the other hand, would encompass all aspects of performance. Which aspects exactly are going to be covered is still open, though.

"The container terminal is the bottleneck," said Jost Hellmann of Hellmann Worldwide Logistics. "If a terminal proved not to be efficient, his company would move the cargo away from such a facility. There is competition and efficiency definitely plays a role in our decision."

Though the implementation of CTQI will be on a voluntary basis, GL and the Global Institute believe that it will soon establish itself as an industry benchmark.



Bernhard Ständer and Jost Hellmann: CTQI is voluntary but the partners believe it will come to be an industry benchmark.

"To date, terminals have concentrated on the waterside because they is where they earn the money"

With so many stakeholders of the logistics chain having an interest in the adoption, "terminal operators won't be able to evade the scrutiny," said chief executive of the Institute Kieran Ring.

Discussions about such a benchmark indicator started in 2004, Mr Ring said. They were, not least, prompted by cargo owners introducing more and more speci-

fications for their transport chain, like prescribing which carrier and which terminals to use.

There were some 700 container terminals in the world, about 200 of which were engaged in worldwide trades. "In a globalised world, we need standards," Mr Ring said.

This view was supported by a repre-

sentative of the shippers. The visibility and transparency of the operational strength will be a decisive factor when judging the potential of new source regions, said Mark Trundle of Kingfisher. He has just been named executive director of the Institute's Maritime Logistics Council. "We do not have enough of an idea of what is going on there."

Hellman scoops customer award

Katrin Berkenkopf

GERMAN-based Hellmann Worldwide Logistics has been named Best Global Logistics Service Provider 2007 by the Global Institute of Logistics, the New York institution that regards itself as the point of connection between academics and the stakeholders in the logistics industry.

Chief executive Kieran Ring of the Institute said that it was particularly convincing how Hellmann put relationship first in its approach to customers.

Hellmann was established as a forwarder in 1871 in northern German Osnabrück and has since been a family-owned company.

Today, the company is headed by cousins Klaus and Jost Hellmann, who manage operations from Osnabrück and Hamburg.

According to the 2005 annual report, which is the latest one available for the company, turnover reached €2.5bn (\$3.3bn).

Profits figures were not revealed.

The volume of container carryings organised by Hellmann was close to 385,000 teu.

"We believe in relationships and this is only possible in a family-owned company," Klaus Hellmann said.

"I can go to all major customers on a yearly basis," Jost Hellmann added.

Also, in the environment of such a group, it was much easier to develop new products, they said.

Kieran Ring of the Global Institute of Logistics agreed with their view: many large stock-listed companies were driven by balance sheet results and did not put relationship with the customers first. Speaking with long-standing customers of the Hellmann group, he had heard exactly the opposite, the expert said.

Parallel to the naming of the Logistics Service Provider of the Year, the Institute published a white paper on Relationship Orientation in the industry.

"A shift in power is taking place in the global supply chains and the Global Institute of Logistics believes that it is the quality of the relationships between cargo owners and their logistics service providers that will determine the winner," the paper said.

"The move towards demand-driven supply chains is undeniable and this means cargo owners are taking control of their supply chains now."

Jost Hellmann, in the paper, said that with the development of the container, the influence of shipping lines on cargo transport had gone down to the advantage of forwarders.

Only time would tell which side would get the upper hand.

In his view, though, partnership might be the most viable option, and the lines were realising that now: "We want to keep the yields up, and that's good news for them, too."

The current trade flow patterns with lots of empty containers travelling from Europe and North America back to Asia were "unfruitful and bad news for the whole logistics industry".

DB adds Transfesa to co-operation tactics

Roger Hailey

GERMAN railway Deutsche Bahn is in talks Spanish rail freight operator Transfesa about future co-operation.

Few details have been released about the talks between the German railway and Transfesa, the latter reporting a €290m (\$390m) turnover in 2006.

The short press release from DB last week came just days after the German giant confirmed that it is also in talks with English Welsh & Scottish Railway Holdings which could see it buying shares in Britain's largest rail freight operator.

In a joint statement issued 10 days ago, EWS and DB confirmed the two firms "are in discussions about plans to develop a stronger European rail freight network".

The statement continued: "The companies plan to intensify their business relationship in the future. The talks cover the full range of co-operation options such as joint projects or the acquisition of EWS Shares by DB.

"Freight traffic in Europe is growing and the increasingly competitive and liberalised rail freight sector is expanding and providing sustainable transport solutions. DB and EWS's European network solution will be a key part of this growth. A further announcement will be made once DB and EWS discussions are concluded."

EWS, which operates services through the Channel Tunnel as well as 1,000 freight train services a day within the UK, has Canadian National Group as a major stakeholder with 31.6%. The remaining equity is held by Berkshire Partners (16.8%), Fay Richwhite (16.6%) and Goldman Sachs (5.8%).

For the year to March 2006, EWS reported a turnover of £510m (\$1.01bn) and an operating profit of £7.2m.



Co-operation talks on track: EWS and Deutsche Bahn plan to intensify their business relationship in the future.

IPSEN embarks on radical makeover

WITH a new structure and a new Corporate Identity the expanding forwarding group IPSEN, based in Bremen, Germany, positions itself for stronger growth and enhanced visibility in the growing global logistics market.

Within the next few months the companies of Emil Ipsen, CET and fastped with their subsidiaries in Europe, Africa, Asia and South America will start operating under one name: IPSEN LOGISTICS.

"Operating under one roof - the new IPSEN LOGISTICS - will provide a strong, unified corporate image to support the excellent reputation and trust all our companies enjoy around the world," said managing partners Hans-Christian Specht and Eduard Dubbers-Albrecht.