



How Technology Can Impact Logistics

OCTOBER 28, 2021



Agenda

#	Topic	Time
1.	Digitalization in logistics <ul style="list-style-type: none">• Key trends in digitalization, and importance of implementing digital solutions	10 min
2.	Framework for digitalization <ul style="list-style-type: none">• Identifying how digital tools can address challenges in the logistics value chain	5 min
3.	The World Logistics Passport <ul style="list-style-type: none">• The WLP as a global logistics solution	5 min

Digitalization in logistics

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WHAT ARE THE KEY TRENDS DRIVING BUSINESSES TO IMPLEMENT DIGITAL TECHNOLOGIES INTO THE SUPPLY CHAIN?

Key trends: The future of logistics will be shaped by longer-term challenges associated with digital technologies

Key trends driving digital logistics



Rise of digital customers

- The rise of e-commerce has changed the composition of consumer buying behavior and expectations.
- It is projected that global e-commerce logistics will grow by 8.6% annually by 2020-2025.
- As 60% of the world's population will be living in cities by 2030, companies will need to adapt their logistics operations to meet these growing demand of digital customers.



Regulatory compliance

- The ability to comply with the plethora of data-related mandates is tied to how capable a company is in its ability to find, view, record, and report on the data.
- The need for increased flexibility across the supply chain is paramount along with recognizing that no single solution to the growing complexity will be one-size-fits-all.



Cost competitiveness

- Covid-19 has instigated unprecedented delays for the industry – causing freight rates to surge; negatively impacting supply chains.
- High costs can persist post-economic recovery, therefore it is important to streamline your business to reduce overheads and increase efficiency

Rise of digital customers: Rapid growth of online customers will force many companies to adopt new technologies

Global trend of e-commerce logistics



27.3%

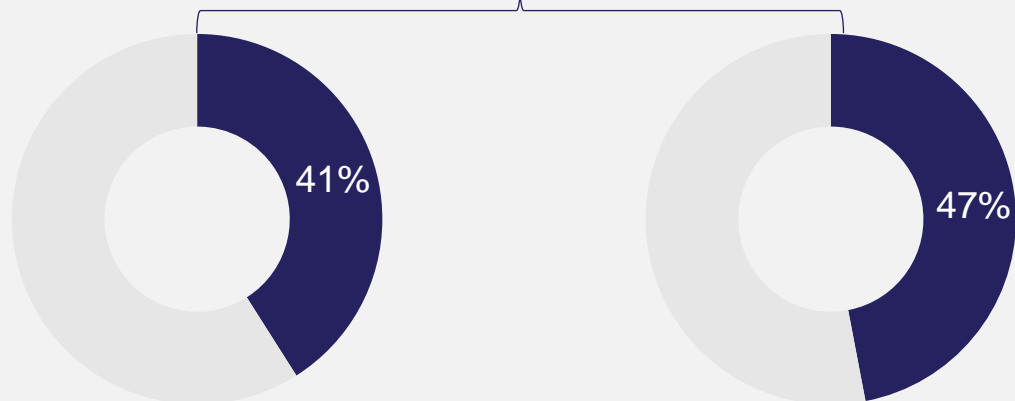
Growth of e-commerce logistics market in 2020



8.6%

Annual projected growth of global e-commerce logistics from 2020-2025

Supply chain e-commerce capabilities of the highest priority



Same-day or two-day delivery

Inventory levels and availability

Key insights

- > This exponential growth and change in online demand will impact the logistics and transportation sector as they will **need to be prepared to manage increased volumes and delivery expectations**
- > However, **not all companies are technologically ready** for the rise of e-commerce
- > **Lack of digital culture and training** is the biggest challenge facing transportation and logistics companies



WHY IS IT IMPORTANT TO IMPLEMENT DIGITAL SOLUTIONS INTO OPERATIONAL PROCESSES?

Currently, there are many challenges in trade processes associated with manual processes and documentation

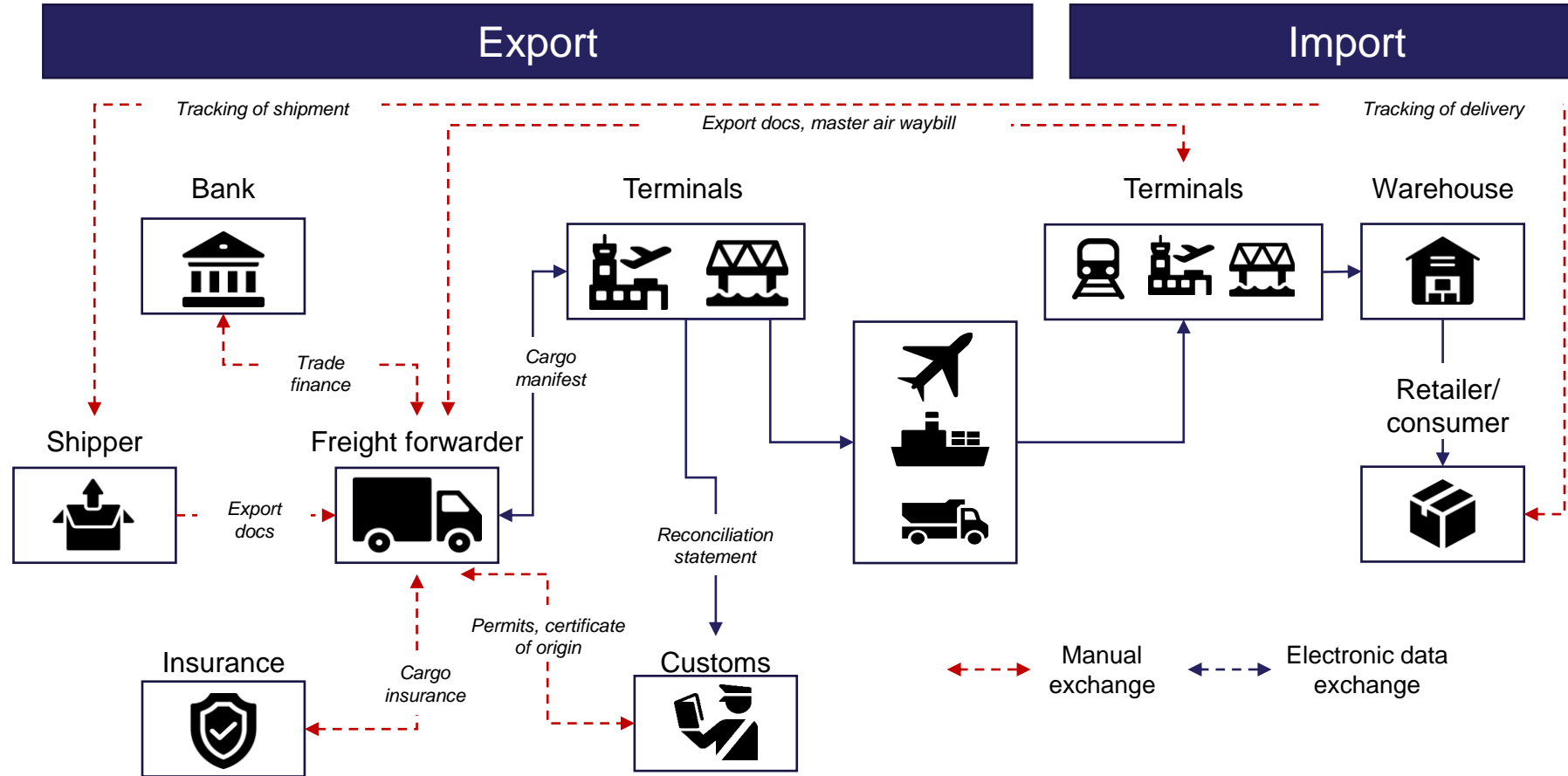
International trade processes are complex and cover:

25

stakeholders at least

30-40

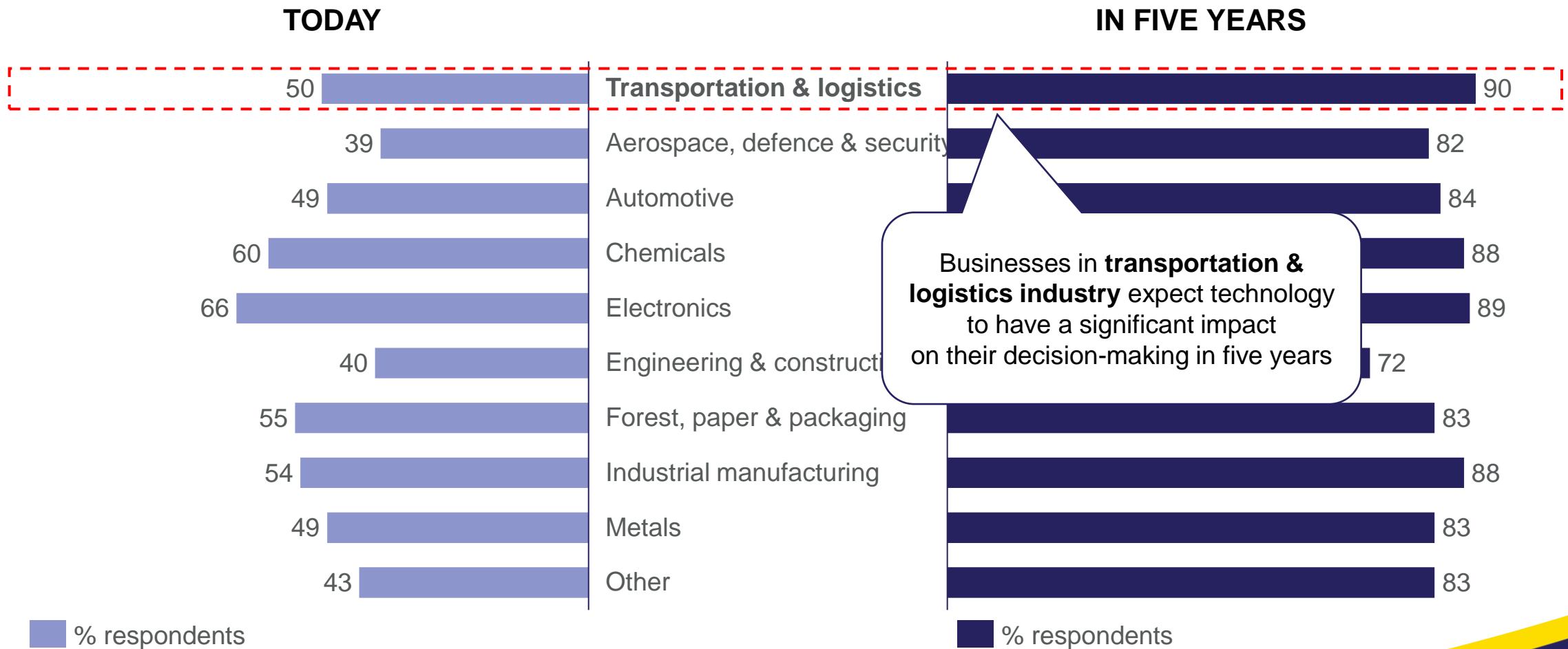
documents and papers



90% of data extraction and data entry still occurs manually. The manual work represents a significant time cost. For example: **12%** of invoices processed manually require additional work

In fact, companies perceive data and digital tools to be crucial for transportation & logistics in the future

Importance of data and analytics to decision making by sectors



Note: The survey question: What significance does the gathering, analysis and utilisation of data for decision-making have for your company?

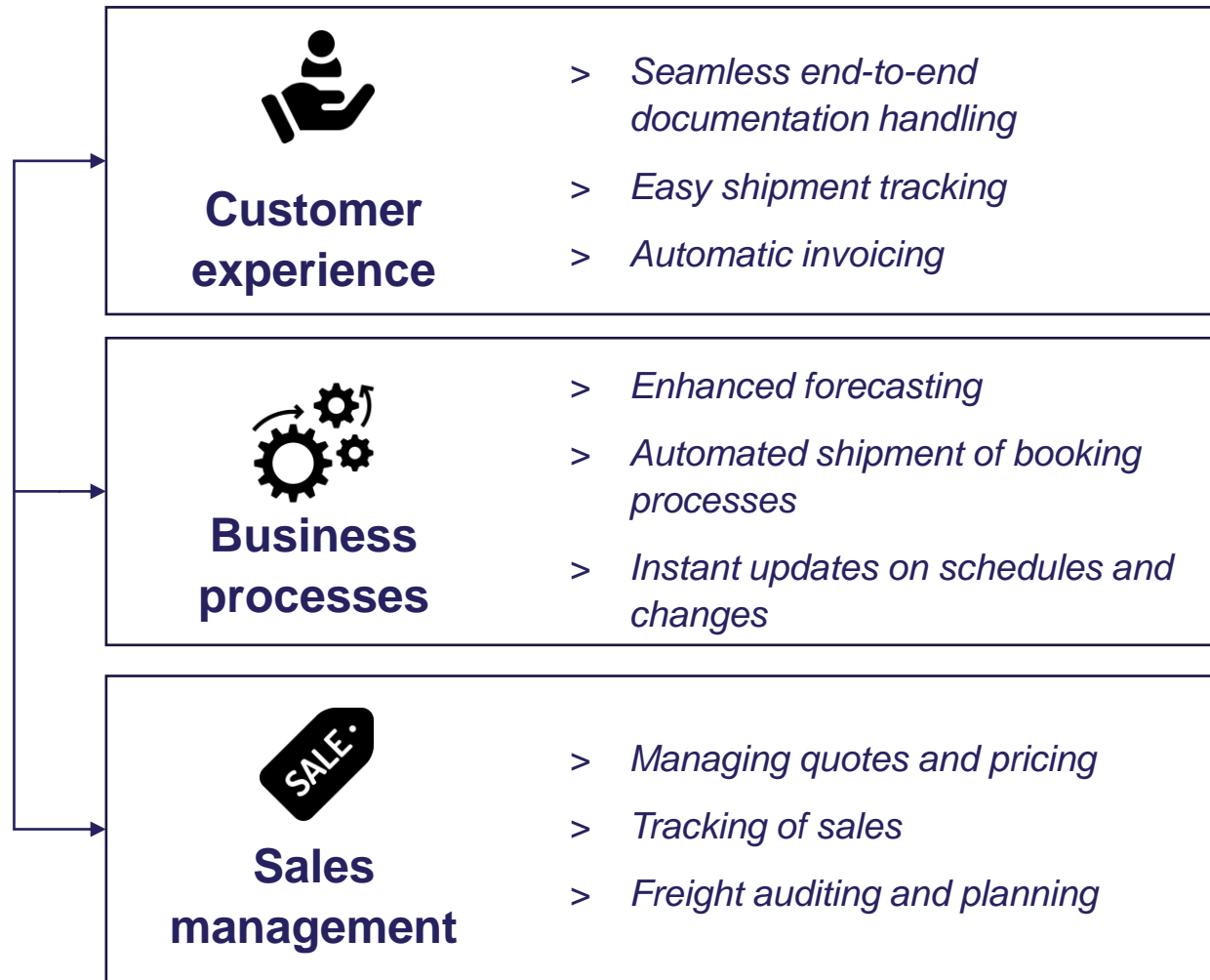
Source: Whiteshield Partners, Global Industry 4.0 Survey

Digital tools help to automate the most routine parts of the logistics chain

Digital shift in logistics and freight forwarding industry



DIGITALIZATION IN LOGISTICS



Customer loyalty



Greater profitability



Improved efficiency



Real-time end-to-end visibility



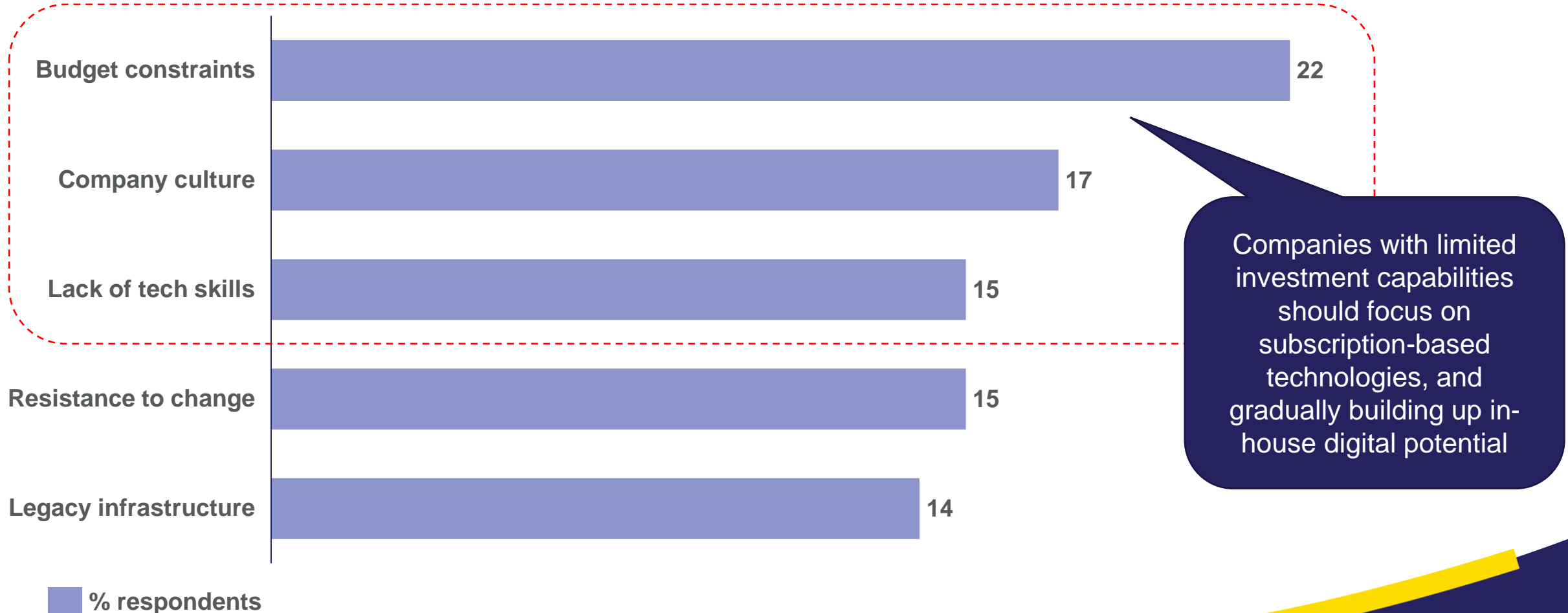
Better communication



WHAT ARE THE KEY CHALLENGES OF GOING DIGITAL?

Limited finances and company culture are the major barriers to business digitalization

Barrier to digital transformation in logistics, transportation & supply chain management

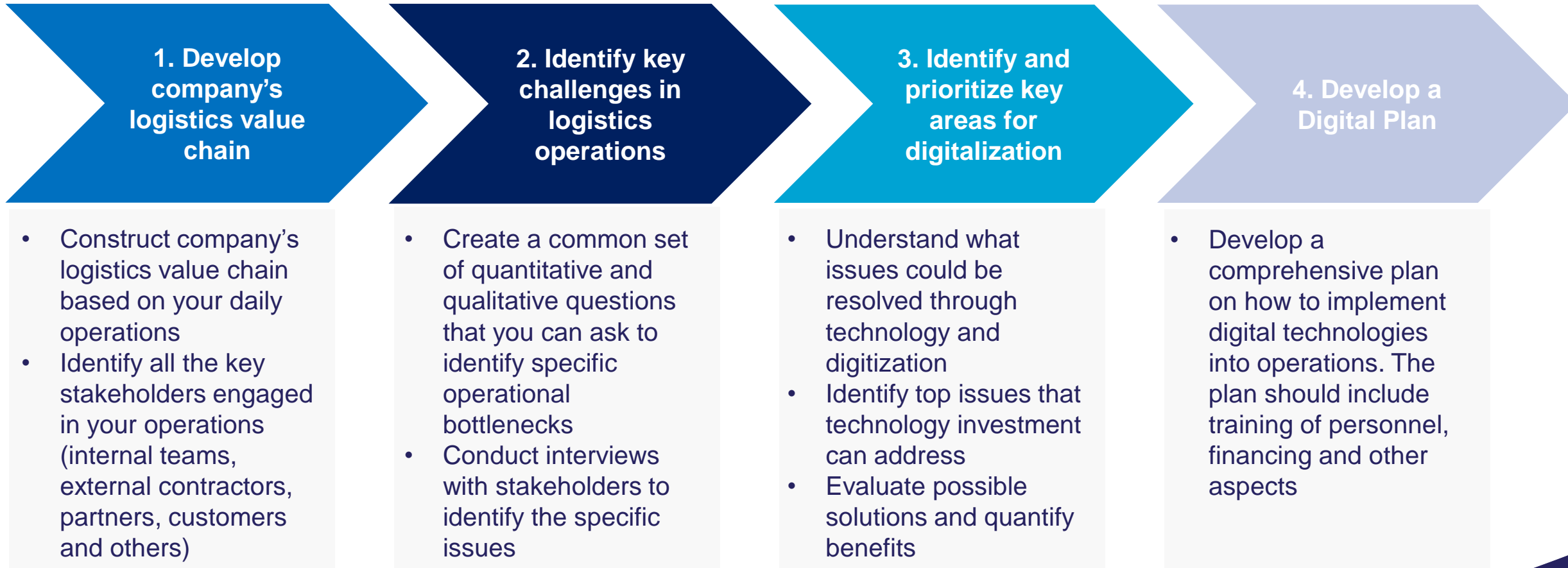


Framework for digital tools

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Digitalization of logistics requires understanding the company's value chain and bottlenecks in operations

Key steps to identify areas for digitalization

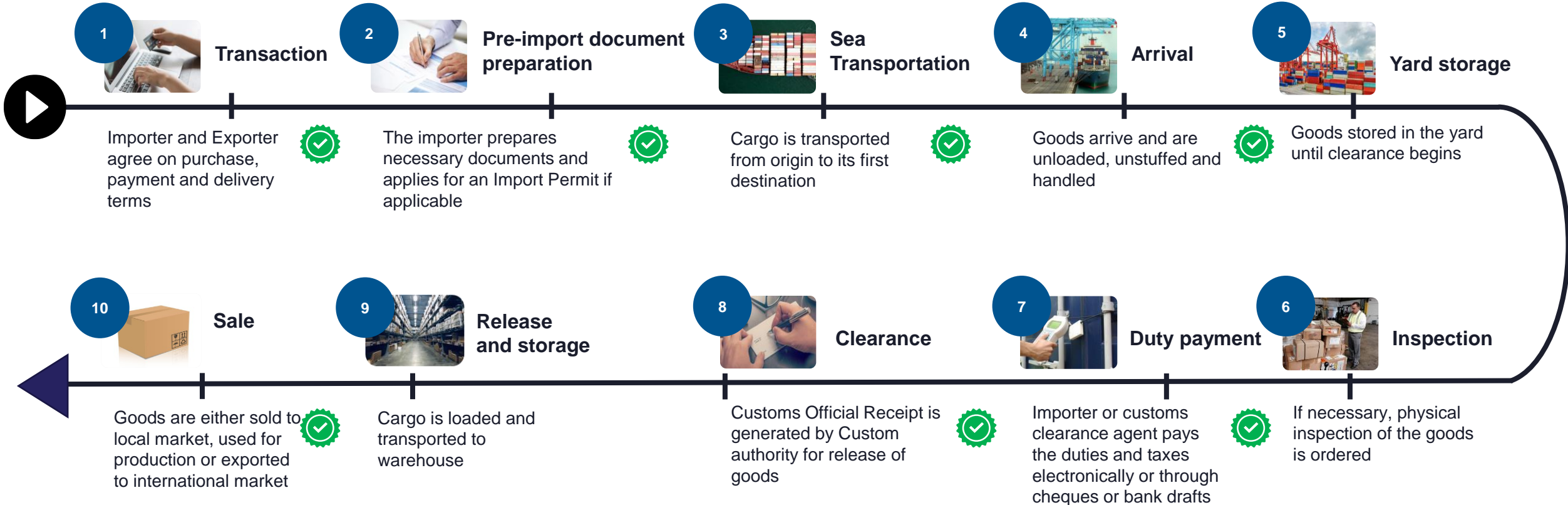


1. Develop company's value chain: Develop your own trader value chain to identify key inefficiencies in operations



Example: Trader value chain

Illustrative



Customer care

Trade finance

Stakeholder engagement

Organizational design and business processes

High potential for digitalization

2. Identify key challenges in logistics operations: Understanding the gaps at every stage of the logistics value chain

Identification of key gaps in value chain



Interviews with key stakeholders

- Conduct interviews with all key stakeholders, including personnel, customers, suppliers to identify the specific issues



Leverage existing data and analytics

- Use existing data and knowledge to conduct analysis on efficiency of business processes















Conduct benchmark analysis

- Conduct comparative analysis of company's business process vs its competitors

At each stage of the trader value chain, combine interviews with data analysis to identify potential solutions

3. Identify and prioritize key areas for digitalization: Digital tools can help strengthen every stage of the logistics value chain

Steps	Before	After	Product Examples
 Transaction	<ul style="list-style-type: none"> All or most of the orders are delivered by telephone or in-person manually in paper form. 	<ul style="list-style-type: none"> Access to online platforms on new sales and sales leads for shipping and logistics services 	
 Pre-import document preparation	<ul style="list-style-type: none"> All pre-import documents are developed in paper form individually and then submitted in-person 	<ul style="list-style-type: none"> Integrate advanced e-customs procedures Remote document processing Block chain solutions to automate pay out of trade credit and insurance contracts 	
 Sea Transportation	<ul style="list-style-type: none"> Delays in delivery due to limited supply chain visibility Difficulties in finding the optimal shipping options and carrier 	<ul style="list-style-type: none"> Tracking systems: Advanced Block chain solutions enabling Traders to track and trace their shipments from source to destination in real-time 	
 Arrival	<ul style="list-style-type: none"> Delays in delivery due to limited supply chain visibility 	<ul style="list-style-type: none"> Access to online tools to track shipment and arrival of goods with more precision 	
 Custom clearance	<ul style="list-style-type: none"> Long queues to pay duties at the port Long-time custom procedures due to incorrect filling of the declaration 	<ul style="list-style-type: none"> Integrating data transfer customs clearance Automated document processing and customs through integrated blockchain solutions 	
 Release, storage & sale	<ul style="list-style-type: none"> Delays in delivery due to limited supply chain visibility All sales are conducted via manual process, which takes much time 	<ul style="list-style-type: none"> Access to online platforms on new sales and sales leads for shipping and logistics services 	

4. Develop a Digital Plan: Start from basics and build up your digital potential through learning and innovation

Three key areas to build digital potential



Basics

- Based on your current digital capabilities deliver **functional website (via subscription to external services and in-house)**: it must satisfy at least the basic and main necessities of your potential customers.
- **Enhance planning of the journey** of your customers and adapt all the content
- Keep in mind that your website is the main tool to convert leads into sales
- **Create chatbots** to accelerate communication with customers

Build internal capabilities

- Take concrete and significant steps to **enhance the digital skills** of the employees
- **Develop a training program** for employees to fill gaps based on the **capability survey**
- **Develop KPIs for your employees** based on performance to evaluate capabilities of the team
- **Adapt appropriate organizational structure** to enhance stakeholder engagement, customer experience and business processes

Focus on innovation

- **Invest proactively in research & development** in logistics and freight forwarding technologies
- Create a separate organizational unit responsible for the development and piloting of new technologies in operations
- **Establish partnerships** with academia and other businesses to launch joint innovating projects

The World Logistics Passport

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The World Logistics Passport enhances multimodal exchanges through the integration of the entire logistics chain

WLP Partner Network

WLP Partners



Customs Authorities



Port Operators



Airport Operators



Freight Forwarder Associations



Airlines



Development Zones, Dry Ports & many others...



First Global Freight And Logistics Loyalty Program

WLP Benefits: Benefits aim to reduce cost and improve time efficiency for the members' logistics journeys

Logistics journey examples with WLP benefits



Air Journey



- Reduced landing fees
- Priority on cargo reception
- Access to remote document processing and truck scheduling
- Reduction in the cargo storage fees
- Facilitated pallet build up



Sea Journey



- Priority delivery
- Single online window for external bundled services like packaging, storage
- Reduced charges on SSL and CFS services
- Priority access to customs security control



Multimodal Journey



- Access to digital solutions which provide reduced charges on transactions, cargo handling and other processes
- Reduced transit time to move cargo from Port to Airport

Dubai Logistics World Fund: Identifying investments in key soft logistics infrastructure projects in targeted countries

DLW Fund overview – Objective and framework

