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Bum balm puts Oh Lief on the map

Liesl Venter

It all started with a bum balm. Christine Buchanan was struggling to find natural products to use for her baby when her sister Louiza Rademan decided to hand-make a balm for the newest member of the family using all natural products.

The result was Oh Lief – a thriving business manufacturing natural organic skin care products. Standing in the factory in Maitland, Cape Town, it is hard to believe that first balm was made only six years ago.

“We grew up in a household where green and organic principles were valued,” explains Buchanan. “When my son was born I tried to find a skin care range to use for him and myself that was all natural and organic, but nothing really worked. My sister made me this bum balm and it was fantastic. We decided to make more.”

Shortly after they exhibited at a baby show with a hundred bum balms. Within hours they were sold out. “They realised they were onto something.”

Today the company has three ranges for babies, children and adults manufacturing 24 different products. “We initially worked from my kitchen,” says Rademan remembering the early days. “The kitchen was manufacturing, the lounge packaging, the dining room labelling. My husband came home one day and wanted to make a sandwich and I refused saying the kitchen had just been sterilised for the next batch of products. We realised it was time to move out of the kitchen into a real factory.”

The name of the business references olive oil, which is the main ingredient in all the products, as well as their love for all things natural.

Buchanan, who heads up the retail side of the business, has been a challenge at times,” says Buchanan. “Each show would see us thinking about where we were going or what we were doing,” says Buchanan. “Each show would see us launch a new product as people told us what they wanted or needed.”

In 2013, through a Department of Trade and Industry (dti) initiative, they attended a trade show in London – and the world literally became their oyster.

“We realised that there was huge opportunity and possibility. Our business had grown organically up to this point but it was a big realisation for us that our product was perfect for people all over the world and they were falling over their feet for it. That show opened doors unlike any other.”

Today the business operates from a 1500sqm manufacturing plant moving products not only across southern Africa but also to Europe, Asia, Australia and New Zealand.

Their advice to would-be exporters is simple. “Take the time to familiarise yourself with the programmes within dti. There are opportunities and yes it’s not a bullet-proof system, but you have nothing to lose.

Co-loading makes logistical sense

Both agree that getting the logistics right has been the trickiest, according to Oh Lief’s Christine Buchanan and Louiza Rademan.

One must remember after all they did not set out to be global manufacturers of natural skincare products.

“We are a long-haul destination for the logistics, understanding the regulations you are exporting, they say. “Also knowing and understanding the regulations and requirements of the countries to which you are exporting. We have a skincare range and so we need to be 100% up to standard with each and every country.”

They also continue to invest in research and development, says Rademan, who is in charge of the manufacturing of the products. “We continue to launch new products and extend our market. We have also opted for a more labour-intensive process and prefer to employ people rather than machines to make our products. It’s the more sustainable approach for us.”
More than 80% foresee problems with new VGM weighing methods

More than 90% of the industry – from shipping lines to freight forwarders and shippers – believe the new Safety of Life at Sea (Solas) verified gross mass (VGM) regulation is a positive move by the International Maritime Organisation (IMO).

But by the same token, a whopping 83.8% expect there will be challenges with the two weighing methods prescribed under the new regulation – Method 1 which sees the weighing of the full container at a weighbridge and Method 2 which involves the weighing of the contents and dunnage and adding that to the tare weight of the container.

These were two of the main findings of a Solas VGM regulation FTW survey conducted in June – mere weeks ahead of the July 1 implementation deadline set by the IMO.

Most welcomed the decision for the obvious reasons – safety at sea and potential loss of valuable cargo if the regulation is not implemented. But some pointed out some other benefits many have perhaps not considered.

“If we have to look outside the box, the VGM regulation could be used to mitigate insurance claims, especially on bulk loaded containers,” said Nirosh Nanoo, supply chain manager Tate & Lyle.

Dewald Theron, general manager at transport operation Mweza Trans, pointed out that while the regulation was introduced primarily for seafreight, it would also have a knock-on benefit for the roadfreight industry. “We as transporters also suffer from misdeclaration of containers for import and export, which potentially damages our trucks and roads,” he said.

A key account manager for a consolidation company pointed out that the regulation had “all the hallmarks of better quality control”. According to him, it also tightens up customs declarations and limits opportunities for illegal movement of goods.

“We will be able to mitigate costs and additional administration resulting from misdeclared cargo weights that we have seen in the past,” a director from the Zambian branch of one of the top ten global lines told FTW in a separate e-mail.

– Adele Mackenzie

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Delays at ports, at weighbridges and along trade corridors were highlighted by many as major concerns with the general implementation of the new Solas regulation, while others pointed to the additional costs and paperwork and the need for additional staff to manage the “time-consuming” process.

Brian Mulligan, CEO of Freight Fusion Systems, highlighted the need for more effective logistics management around the new regulation to prevent shipment delays that could erode suppliers’ profits.

Alexander Robertson, director at Robertson’s Cargo Consultancy, commented that compliance would be particularly difficult with fresh produce (fruit, vegetables and frozen fish) as there were so many docking stations and because of the extra handling the weighing regulations required.

A director at a freight forwarding company told FTW that education and subsequent penalisation of shippers themselves on the master bill of lading would be “a big problem”.

He added that trucks queuing for limited capacity on weighbridges and waiting for VGM to go into Navis could cause major delays and result in missed stacks if shippers used Method 1.

Many questioned the use of Method 1 due to the lack of availability of weighbridges along major trade corridors in southern Africa.

Almost 60% of cargo owners said they had not received sufficient information on the new VGM regulation from their logistics service providers.

“All the documentation we’ve received simply outlines what the two methods are and insists that the shipper is responsible,” said an export manager of a global export company.

In her view shipping lines, transporters and ports have offered “zero assistance” with regard to the actual implementation.

An account manager for a non-vessel operating common carrier (NVOCC) told FTW that he believed his company – as a service provider – was one of only a few engaging with its clients to actively try to resolve issues for their FCL cargo.

“Many of our clients have not had the right guidance. If there is not an extension granted for this there will be chaos around stacks opening on July 1,” he said.
How well is SA doing – compared to the rest of the world?

By all accounts, South Africa seems to be doing as well, or as badly, as the rest of the world in terms of preparedness for the Solas regulation, but many of those polled by FTW indicated that the relevant authorities had not reacted as quickly to the announcement by IMO as they could have.

An exports manager for a major automotive manufacturer and exporter noted that information around the regulation – from the relevant authorities – had been “sadly lacking” and that when it was eventually shared, it was far too late. “We still have no clarity on how to handle less than container load (LCL) cargo,” she said.

An export manager told FTW: “There was very little notice to traders and exporters and the last-minute appointment of South African Maritime Safety Authority (Samsa) approved certifiers for Method 2 left us in the dark about a lot of issues.”

Toni Lee Sykes, export manager for Customs Services, added that verification agencies didn’t seem to have a set process in place advising what steps to follow to verify a weight based on a weighbridge certificate.

Ashwin Bhugeloo, head of integrated business solutions at the FPT Group, disagreed with these sentiments, telling FTW that “several engagement sessions had been held with various role players and industry bodies on a local and national level.”

The chief operations officer of a freight forwarding company said that South Africa appeared to be well ahead, with many accredited auditors conducting audits on shippers for Method 2.

“There does appear to be some confusion though on Method 1 and the acceptable scales/weighbridges,” she added.

Shipping manager at tyre export company Etraction, Pradeep Waidyahara, pointed to the free-of-charge container weighing systems at certain United States ports, saying this would help shippers meet the requirements without too much extra burden on the authorities and the exporters.

“It would make sense for Transnet Port Terminals to introduce weighing services. They could increase terminal handling charges.”

If you are a cargo owner do you feel your service provider has given you sufficient information on the new VGM regulation?

![Poll Results]

Do you believe this new regulation is a positive/negative move by the IMO?

![Poll Results]

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Mergers and acquisition (M&A) activity in the global transportation and logistics industry is expected to soar past the US$73-billion mark this year, according to the latest Transport Tracker report compiled by international consulting and auditing company, KPMG.

Steffen Wagner, global chair for transport and logistics at KPMG, pointed out that business model convergence and slower market growth were continuing to drive M&A activity, although he does not expect this year to see the record levels achieved in 2015. “2015 was a record year for the transport and logistics sector, with the value of completed M&A transactions rising for the third consecutive year,” he said.

According to Wagner, the ongoing investment activities in the transport and logistics sector are expected to remain high. And KPMG’s projections seem to be on track, with PricewaterhouseCoopers’ (PwC) data for the 2016 first quarter global M&A statistics for this sector showing that while deal activity declined in Q1, the value of the deals has increased year-over-year to US$7.6 billion – over a quarter (26%) growth on the first quarter last year.

The PwC report points out that despite a slight slowing of the growth of the global economy, it does continue to grow, driving the need for continued transportation and logistics services and growth, by means of mergers or acquisitions, which continue to be popular.

The South African industry has been affected by a number of global acquisitions recently – the Uti and DSV merger, the HAE Group acquiring Groupair and Wisetech Global’s acquisition of CompuClearing and Core Freight Systems – but what does the future hold re M&A activity on a local front?

If the recently released Barloworld Logistics supplychainforesight 2016 report is anything to go by, M&A is rated as a low priority by local and regional supply chain professionals. Kate Stubbs, executive: marketing at Barloworld Logistics, said that there was a local perception that M&A activity was costly and full of risk.

“However, companies that are able to make better use of their resources through strategic partnerships and shrewd investments can fast-track innovation and outsmart the competition,” she said.
Neutral operator ‘ready’ for Solas regulation

CFR Freight is ready for the International Maritime Organisation (IMO) Safety of Life at Sea (Solas) verified gross mass (VGM) regulation that kicks in this month – and doesn’t expect to see a major change in its current operations. “We see it as a very positive move and we are ready to handle both less than container load (LCL) and full container loads (FCL) for our clients,” said CEO of the CFR group of companies, Peter Schmidt-Löffler.

“We are ready to handle both less than container load (LCL) and full container loads (FCL) for our clients.”

— PETER SCHMIDT-LOFFLER

He told FTW that the regulation did bring greater responsibility – for all parties involved in the supply chain – and additional costs. “But we are well prepared and have informed all our clients well in advance and so don’t foresee any issues with the transition.”

Managing director of CFR Freight, Martin Keck, added that the company was the first ‘shipper’ to be approved to use Method 2 (of two methods) by South African Maritime Safety Authority (Samsa)-accredited third party certification agent, ABC Kings.

“Therefore any freight forwarder who entrusts their cargo to us will have the peace of mind knowing that there is full compliance with the new regulation,” he said.

— Adele Mackenzie
A ugust this year will see the launch of a new state-of-the-art warehousing facility on the site of the 130 000sqm Dunlop manufacturing plant in Sydney Road, geared to take advantage of logistics and import and export activities linked to the port.

JT Ross development director, Grant Smith, said the tyre manufacturing plant had been officially decommissioned and demolition of defunct infrastructure was well on its way. Completion is scheduled for the third quarter.

Last August the company took ownership of the property which had changed hands just twice before in its 80-year life span. It was first owned by the Dunlop group and then by the India-based Apollo tyre production company.

Smith said the development group’s investment in the property was based on the proximity to the harbour. Its position, he said, had resulted in the land retaining its value despite its ageing infrastructure.

Tony Blaunfeldt, who heads up the Umbilo Business Forum, said the development would assist in arresting urban decay in the industrial district.

Economic and urban development expert Glen Robbins called on Transnet and the city to take responsibility for much-needed upgrades in both the port and its surrounds.

“There is always demand for well-managed urban regeneration. There is a vast range of businesses in Umbilo that could benefit from this development. It also makes sense to regenerate existing urban areas – particularly if you compare the high cost of developing far from the city. This whole investment creates a great opportunity for the city to tackle the issue of bad buildings in that area as well,” he said.

Europe appears to be overtaking China as a market of potential expansion, according to the latest annual Barloworld Logistics 2016 supplychainforesight survey of supply chain leaders in South Africa.

A total of 27% of survey participants indicated that they were eyeing Europe for expansion, while 21% said North Africa and 20% Asia (excluding China). Only 13% said they were still exploring expansion in China.

“South African exporters who are eyeing new global markets – particularly those in the developing world – could use the current exchange rates to their advantage for greater returns,” said Kate Stubbs, executive: marketing at Barloworld Logistics.

She added that the developed regions might be less risky than some African countries.
The geopolitical instability in South Africa, which has led to a fluctuating return of earnings (ROE) for many companies, has impacted ordering patterns, says Rara Avis Freight & Logistics managing director, Judy Everitt. “Clients have been delaying their orders this year and so shipping has become more time-critical again,” she told FTW, and this has seen an increased demand for airfreight over seafreight for inbound cargo.

For exports, Everitt expects the International Maritime Organisation’s Safety of Life at Sea (Solas) verified gross mass (VGM) to be the single biggest logistics challenge faced by the freight industry over the next six months. “I think the forwarders and clearing agents need to be educating their clients better,” said Everitt, pointing out that organisations such as the South African Revenue Service (Sars), the department of trade and industry (dti) and the various business chambers needed to compile a list of every exporter in the country. “That list then needs to be sent through to the verification agencies to consult with the clients/exporters directly,” she said.

In light of increasing regulatory requirements across the supply chain, including the VGM regulation, Everitt said that technology could play an increasingly stronger role to manage the “complex relationship” between the manufacturer, shipper and user. “All the big players are investing in technology – and Uber having entered the market recently with its small parcel collection, tracking and delivery application has set the trend,” she added.

– Judy Everitt

Growing airfreight demand as shippers delay orders

“Shipping has become more time-critical.”

– Judy Everitt

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A couple of ‘positive’ global trends, such as falling oil prices and the proliferation of mega-ships, could have a negative impact on local and African markets and see an increase in logistics costs, says Detlev Duve, managing director of Dachser South Africa.

“While the falling price of oil has enabled international freight movements to become cheaper, in reality this will put a dampener on near-sourcing, which has been gaining momentum in local markets,” he explains.

This means that local logistics companies should anticipate some reduction in the local activity that resulted from this trend. The upside is that air cargo volumes may increase.

Duve adds that there have been global savings as massive vessels – such as the 18 000- and 20 000-TEU ships – become increasingly more common. “This affords manufacturers and retailers a lower unit cost when moving goods around the world. But only a small percentage of ports are able to support ships of this magnitude, and this will mean a reduction in the number of direct calls,” he says.

As a result, emerging markets, where the ports are consistently smaller, could well see an increase in shipping costs. Issues like ongoing geopolitical instability continue to pose higher risks for logistics companies operating in emerging markets.

“Emerging markets are, however, opportunity-rich, so it is crucial for logistics companies to look strategically at how to develop their partnerships and networks to these regions,” comments Duve.

He says Dachser South Africa is able to mitigate a number of risks when transporting goods into the continent through a strongly forged network that extends into emerging markets.

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**Falling Oil price impacts near-sourcing trend**

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**Emerging markets, where the ports are consistently smaller, could well see an increase in shipping costs.**

— Detlev Duve

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One of the single biggest logistical challenges faced by SA shippers is the release of cargo and interference by border control agencies – and it’s an issue that needs to be addressed by both the private sector and government authorities, in the view of Michael Henning, general manager of software service provider Easyclear.

“It’s not a problem that can be addressed without partnership and communication,” said Henning.

The most recent World Bank logistics performance index rates South Africa’s performance relatively well compared with other countries on the continent, while the country is outperforming its BRICS partners. “But there’s a drop in our rating for customs, where the efficiency of the clearance process and formalities around border control agencies, including customs, is still problematic,” he said.

“We do however continue to score high on timeliness, with shipments reaching their destinations within the scheduled or expected delivery timeframes, and logistics competence and quality of the logistics services (transport operators and customs brokers and the like) scoring high.”

Henning believes the next year or two are likely to see major changes in Customs and border control agencies with the release of the new Bill and Act. “These influence the processes and risk processing, facilitating communication at an IT level between border control and customs agencies.”

The June 17 implementation by South African Revenue Service (Sars) of a new manifest processing system (MPR) designed to positively benefit road, air and sea carriers is seen as a positive step forward in the streamlining of logistics processes.

“EASYCLEAR is at the forefront of the MPR, an initiative under the customs modernisation programme with the aim of improving the processing of commercial cargo across land border posts,” said Henning.

“As a software service provider, EASYCLEAR plays an integral role in optimising the supply chain, facilitating communication between all parties and streamlining the process by reducing the amount of duplicate data capture and minimising the risk to business.”

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– MICHAEL HENNING
Keeping up with fast-evolving logistics trends requires technological innovation – and it is important to integrate logistics software with logistics planning from the start of the project.

“This, coupled with full collaboration with other suppliers, enables service providers to offer a fully integrated solution,” says Macro Millennium’s Anthea van Breemen. She points out that fully integrated software solutions can be leveraged to ensure complete visibility across the supply chain so that every movement of the goods can be tracked and traced. “You can therefore provide ongoing progress reports to your customers.”

Van Breemen says this is notably applicable to e-commerce and internet purchasing deals. “Our Macro 2000 software will help customers to monitor turnaround times – from order to delivery – as well as see how many returns there were from customers, and the reasons for those returns,” she says. According to van Breemen, customers will also have full stock visibility in the warehouse to be able to identify which stock is redundant and/or moving slowly.

“Our software development is based on the incremental changes requested by our partners. In this way we offer the kind of support and innovation needed to maintain, or gain, a competitive edge,” comments van Breemen.
The first 27 logistics operators are being taken through their paces in the intensive skills development programme launched by the Walvis Bay Corridor Group. It’s part of the organisation’s strategy to sell the Walvis Bay option as an alternative trade route for the Southern African Development Community (SADC). “But it will take specialised skills to do so – and this training initiative is part of a plan to build the kind of capacity needed within the logistics and transport service industry to ensure and maintain that faster logistics chain,” said CEO of the Walvis Bay Corridor Group, Johny Smith.

“Using the Walvis Bay trade route could reduce the time it takes for goods to arrive in the SADC landlocked countries from a number of global destinations,” said Smith. “In 2015 the WBCG entered into a service agreement with the Business School of Excellence (BSE) to host an accredited National Certificate in Road Transport (NQA level 3). The first group of 27 small and medium enterprises (SMMEs) within the transport and logistics sector are currently undergoing the intensive skills development programme,” he said.

The course includes training in road transport operations, basic business management and budgeting principles, basic principles of road transport management, as well as occupational health, safety and environment protection. “This will result in enhanced logistical efficiencies which will impact trade facilitation within SADC positively,” Smith pointed out.

Improving efficiency of the supply chain is one of the key challenges for logistics service providers as it could help them retain a competitive edge as companies increasingly battle for market share in a global and regional economic slump. “This can be achieved through innovative use of technology – as systems become more and more important – but superior customer service will always win out,” said Smith.
Software provider goes global

Adele Mackenzie

Software provider 'We Think Software Solutions', recently launched its first international solution for a customer in Miami.

"Because our software is web-based we can set up our system remotely and even provide the training and after-sales care remotely – and because we communicate via the world wide web, we can be available to our global customers at any time, regardless of time-zone constraints," said company managing director, Werner Pretorius.

He told FTW that the new software had been implemented within a week – the standard time for the ‘We Think’ software implementation. "Our software also integrates very well with other regional and global systems, which makes it that much easier to implement," said Pretorius.

He explained that the web-based product had significant benefits for the customer. "We host it all in the cloud so that it’s very secure, and being web based, the customer’s customer also has complete visibility, and thus better control over the entire logistics supply chain."

The software company will also be switching to HTML5 – the latest evolution in web-based coding language – which makes the ‘We Think’ software even easier to navigate and implement.

"It is the newest version of the HTML language with new elements, attributes and behaviours, and a larger set of technologies that allow more diverse and powerful websites and applications," Pretorius added.

He said there was a need in the logistics industry for a flexible, stable and affordable software solution that could push optimisation and save costs.

"The logistics industry already runs on such tight margins that cutting costs is a major challenge and often means that sometimes service-critical aspects are cut. We believe the right software solutions, utilised correctly, will help save operational costs without sacrificing any aspect of the service delivery," said Pretorius.

One major way in which costs can be saved is for customers to have complete visibility across the supply chain – from port to depot to delivery – because they can invoice more accurately as well as pinpoint where the operational logjams are and address them immediately, according to Pretorius.

“Furthermore, this visibility also helps logistics service providers to better understand the needs of their customers, which helps them optimise the service,” he said.
Full transparency across the supply chain is a major selling point for logistics service providers and information technology (IT) – which enables companies to share data and information freely – will therefore be the biggest game changer going forward, according to CFR managing director, Martin Keck. “We have doubled our IT department over the last year and continue to invest in new technologies because that keeps us at the top of our game,” he said, noting that technology was key to ensuring a high level of customer service. “By providing full transparency, end-customer expectations can be managed better and better insights lead to improved cost management,” added Keck.

But even the greatest technology is worthless without strong personal customer interface, he said. “To stay competitive and add real value to customers, you have to have a strong balance of tech and touch,” commented Keck.

Airfreight general manager for CFR, Stephen Bishop, said that CFR leveraged its technology and systems to quickly and easily integrate with its clients’ businesses. “It helps us align strategies with our customers and helps add value to the services we provide them.” He told FTW that CFR was in the process of developing an airfreight rates management system for its clients that would provide full transparency on all rates for imports and exports from all airfreight suppliers. “It will help us provide the best quotes in real time and will help our clients manage their own rates better,” said Bishop.

– Adele Mackenzie

Ground handling services now on offer in CT

ZacPak has expanded its container freight station (CFS) service offering to include ground handling services in Cape Town, says ZacPak managing director, Willie Nel. This follows the relocation of all CFR Freight and ZacPak facilities in Cape Town to the industrial area of Epping 1. “We are now closer to many of our clients and with all companies and directors under one roof, we can service our collective customers much better,” said Nel, adding that the facility now offered a full 3PL service.

He told FTW that the Epping facility offered the additional capacity needed for a stronger growth forecast in the Mother City. “It was designed for greater operational flow and efficiency which allow for quicker turnaround time on the inbound and outbound legs,” said Nel.

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IT a ‘game changer’ for logistics

Going forward, according to CFR managing director, Martin Keck. “We have doubled our IT department over the last year and continue to invest in new technologies because that keeps us at the top of our game,” he said, noting that technology was key to ensuring a high level of customer service. “By providing full transparency, end-customer expectations can be managed better and better insights lead to improved cost management,” added Keck.

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– Adele Mackenzie

Ground handling services now on offer in CT

ZacPak has expanded its container freight station (CFS) service offering to include ground handling services in Cape Town, says ZacPak managing director, Willie Nel. This follows the relocation of all CFR Freight and ZacPak facilities in Cape Town to the industrial area of Epping 1. “We are now closer to many of our clients and with all companies and directors under one roof, we can service our collective customers much better,” said Nel, adding that the facility now offered a full 3PL service.

He told FTW that the Epping facility offered the additional capacity needed for a stronger growth forecast in the Mother City. “It was designed for greater operational flow and efficiency which allow for quicker turnaround time on the inbound and outbound legs,” said Nel.
Cost management continues to rank as a high priority for supply chain professionals with only 32% of those surveyed in the Barloworld Logistics SupplyChainForeshort 2016 report stating that their cost management strategy had been "highly effective".

A total of 39% said their strategy had been "partially effective", while 6% said it had been ineffective. The remainder (5%) said cost management was not an applicable strategy.

"The important question around this is to what extent their cost management strategy increased or sustained existing profit levels; opened new markets or increased market share – as that should be the justifying factor in cost control," said Barloworld Logistics executive: marketing, Kate Stubbs. She added that simply cutting costs could, for example, provide gains in the short-term but could eventually lead to companies losing their competitive edge in the market. "Cost-cutting exercises have in the past been a management tool applied during difficult times but often without due regard to the value being lost," commented Stubbs. She pointed out that, due to rising operational costs often being out of a company's control – interest rates, fuel costs, taxes and exchange rates – the ability to adapt and best manage the changing set of circumstances could contribute to a company retaining its competitive edge. "Knowing where value is being eroded or where values are at unacceptable levels is vital to managing costs," she said.

According to her, the standard accounting practices and financial reports do not currently allow companies to determine where the true sources of profit or profit erosion are taking place within their organisation. "Information and data collection is more prolific than it's ever been and if combined with tangible and actionable intelligence, driven by data analysis, it could provide a clearer picture of where costs create or destroy value," highlighted Stubbs.

She also pointed out that skills development and training were often the "victims" of cost-cutting or cost management strategies. "But this is often where many companies that provide a strong customer service experience gain their competitive edge. "It is disheartening to see the skills shortages ranked as the most ineffectively addressed factor by respondents – especially given the more than a decade-long skills shortage in the industry," said Stubbs.

**Couriers discard traditional mould**

Growth in the express freight sector has been relatively flat in recent months as the economic slowdown impacts the supply chain – but some operators are still finding growth opportunities and exploring home deliveries.

CEO of the South African Express Parcels Association (Saepta), Garry Marshall, said slower demand had meant cost-cutting had become a critical issue for businesses.

"Trade is relatively flat and that isn't a surprise. In times like these people look at what is the best way of transporting goods, and supply chains are reconfigured. Sometimes slower means of transport are a lot cheaper and people will downgrade from one mode of transport to another – for example airfreight may become sea freight or road freight," he said.

"Supply chain professionals are becoming more slick and knowledgeable, playing a more steering role in organisations, and making decisions – ten years ago that was unheard of, but companies have realised that it is the last frontier in terms of reducing costs. But cost-cutting doesn't always mean that express is affected because sometimes companies want to move goods faster rather than leaving them on the shelf," he said.

Marshall said some operators, especially those specialising in specific supply chain models such as electronic, auto-parts and home deliveries, were experiencing "great growth" while some generalists faced negative growth.

He said the need for speed and security of goods being moved with sophisticated tracking and control measures in place meant the sector offered surety of delivery for high-value goods, including electronics and cellphones.

He said operators were also finding opportunities on the back of growth in online shopping – and strong networks were key to success as online retailers required delivery services to every corner of the country, including some difficult-to-reach rural areas.

"The issue is density – if you have to go to Smith Street in Lusikisiki you may only have one delivery every week but to Smith Street in Cincinnati there are economies of scale. We are widely spread and thinly populated. How do you do this cost effectively?"

He said businesses were exploring automated drop boxes at garages as solutions and also overcoming challenges such as knowing when a consumer would be home by building databases of customer patterns to establish suitable delivery times.

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