

trans·o·flex **magazine**



Pharmacies: Supply chain under pressure

***Between a medications emergency and online competition:
What helps? • Representative survey • Exclusive results***

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New shareholder

Exclusive: The GEODIS boss on her plans with trans-o-flex

Customer solution HARTMANN

All in one: From the order to the delivery

Multi-million investment

New thermo vehicles for long-distance and local distribution



Creativity without limits

Do you like to rock?

trans-o-flex welcomes all producers and musicians who want to show what they can do – or who simply want to be creative. We will provide you with the trans-o-flex song (We are trans-o-flex) and you are allowed to remix it. Arrange the song in the style of country, blues or reggae. Or make it really rocky! However – we only have one condition: The message must not be changed.

The song, composed for the company anniversary of trans-o-flex in 2021 and recorded by employees, is a real hit in-house, and also with customers. With the remix you submit, we want to make it

even more popular and present it on young social media platforms. If you want to join in, you can find our song in the required sound tracks, i.e. with the different voices and instruments, on separate tracks via the QR code or the link on this page. We look forward to seeing the results of your creativity and say thank you in advance!



soundcloud.com/marketing_tof/popular-tracks

Legal notice

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Dear Readers,

For a premium provider like trans-o-flex, one word is key. It runs through our everyday life, through our processes and through this magazine. The word is: quality. And it is even closely connected with our new shareholder. But I will come to that in a moment.

Before that, a brief fundamental thought. I am deeply convinced that excellent quality is the most important factor for our success. Excellent quality does not only mean punctual delivery without damage to the goods. Excellent quality must begin with the initial customer contact and by no means ends with error-free, transparent invoicing. Only an all-round quality experience creates the trust with which consignors entrust us with their sensitive and valuable goods for storage and transport. At trans-o-flex, we work on this trust and the underlying excellent quality every day. I would like to illustrate how we do this with three prerequisites.

1. Excellent quality requires security. *We have developed a security concept that prevents both theft and damage to the goods entrusted to us in the best possible way. We are guided by the most demanding security standards available. And these are the TAPA standards. They form the ideal basis for the further development of our safety processes. In Germany, our main sites are now certified according to the TAPA standard FSR 2020 C. In Austria, we have now followed suit. More on this on page 7.*

At trans-o-flex, security always also means: transport in the right temperature range. We do not want to rely on a risk-based approach, but rather use active temperature control to manage the temperature and document it transparently. Our latest investments in pharmaceutical trailers and in our own fleet of specialised delivery vehicles are solid proof that we mean business (page 23).

2. Excellent quality requires transparency both internally and externally. *Because we continuously review our processes using key figures and target-performance comparisons, we can identify deviations at an early stage and intervene quickly if necessary. The key point is the collection and analysis of the data streams associated with each consignment. We rely on modern AI technologies that analyse data by machine, so that we can become even more transparent to the outside world. These can be, for example, specific delivery time windows for consignments (page 20).*

3. Excellent quality requires expertise and financial strength. *Expertise comes first from within, from long-serving, skilled employees. trans-o-flex has more than 1,000 employees who have been with the company for at least ten years and share our mission statement of absolute customer orientation and excellent quality. To ensure that these valuable assets also have a consistent basic knowledge, we have launched a new training programme for all employees (page 11).*

But expertise also comes through strong partners and alliances. And this is where I am delighted about our new owner GEODIS. Through this globally active logistics group, trans-o-flex gains access to additional know-how and new customers who will benefit from the services we offer. Last but not least, we are gaining financial strength that could not have been better even if the company had gone public. GEODIS CEO Marie-Christine Lombard reveals what GEODIS expects from trans-o-flex starting on page 18. We would also like to take this opportunity to extend a warm welcome to the new shareholder. We are looking forward to working together in future!

Wolfgang P. Albeck
Chief Executive Officer



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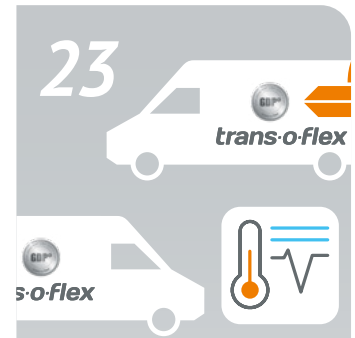


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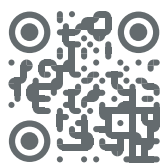
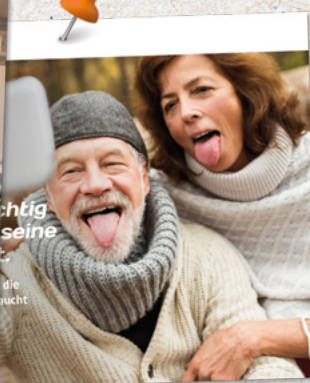
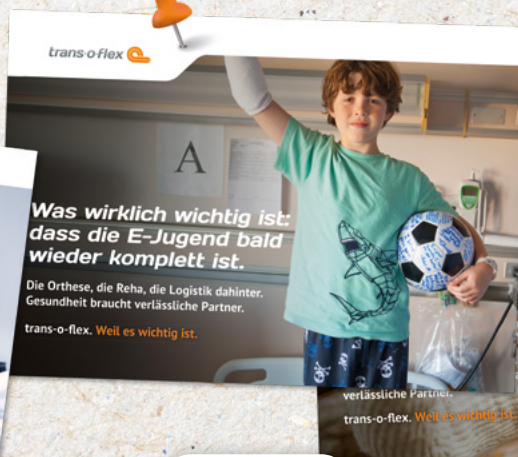
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If you would like to have a look at the themes, you can do so via the following link (only in German): bit.ly/41RabLh

Communication campaign

Because it's really important!

Seven different themes – one slogan: “Because it’s really important.” This is how trans-o-flex drew attention to its express offers in a strategic communication campaign from mid-December to February via social media channels. “trans-o-flex is, after all, not only the specialist for custom-fit logistics solutions in sectors such as pharmaceuticals, healthcare or cosmetics, but also a guarantor for fast, safe and trustworthy transport of high-value and sensitive goods,” says Lutz Blankenfeldt, Business Unit Manager Strategy, Marketing and Commercial at trans-o-flex. “We have made this something that can be experienced and readily grasped.”

The seven campaign themes not only provide factual information, but also quite emotional insights into logistics solutions that are really needed. “As a reliable express service, we do things that really matter, that help children, parents and grandparents to have a better life.” For example, the various themes are about people fighting for their health, waiting for their temperature medicine, and also for birthday presents or an orthosis for a broken arm. Each example highlights from a different perspective: when something is really important, it needs reliable professionals like trans-o-flex.

Awards and honours

trans-o-flex sets benchmarks for quality and trust

In two recent independent surveys, trans-o-flex has achieved the top marks and set industry benchmarks. Both were produced by renowned German publishing houses in cooperation with opinion research institutes. One study examined which companies and brands enjoy a particularly high level of customer trust. For this purpose, 17,000 companies and brands from more than 150 sectors were tested throughout Germany. trans-o-flex was the clear winner in this study for the postal and courier services sector. No competitor scored more than 80 per cent of trans-o-flex's score.

In the second study, trans-o-flex was awarded the “Highest Quality” certificate. Here, too, trans-o-flex received the best rating in the postal and courier services category and set the bar for all other companies. The leading German and US competitors scored a maximum of between 72 and 83 per cent of trans-o-flex's score.

By the way: in other studies, trans-o-flex has received awards in the categories “Highest reputation” and “Germany's most sought-after products & services”.





Maximum security

Certification according to TAPA standard successfully launched in Austria

New certificate for safe processes: ThermoMed Austria's first site has received certification for the TAPA FSR 2020 C security standard. And after the site in Fritzens, the Austrian facilities in Großseibersdorf and Regau will follow shortly. They will also be subjected to the audit in the first quarter of this year.

TAPA stands for Transported Asset Protection Association and is an independent organisation supported by consignors, which has established the highest security standards in transportation worldwide. "The demanding TAPA FSR 2020 C standard forms the ideal basis for the further development of our security processes and technology," explains Wolfgang P. Albeck, CEO of trans-o-flex. "The highest security standards are vital for a company that specialises in the transportation of sensitive goods."

Certification requires all security-relevant processes to be described. Clearly defined technical security installations are required. Both are audited annually. Lastly, all persons involved in transportation and handling must regularly undertake security training. TAPA, which was founded by discerning consignors, also makes very specific constructional requirements, for example on fences, access regulations and video surveillance. For example, all the certified facilities have been equipped with a video management system that enables a targeted and quick search for individual packages.



Biodiversity

Save the Aesculapian snake: Project extended

Because the Aesculapian snake is threatened with extinction and because it is a symbol of healing professions, trans-o-flex has been sponsoring a nature conservation project to preserve the habitat of the non-venomous snake in Germany since 2008. Now, funding for the project has been extended for another five years until the end of 2027. The contract partner is HessenForst, Forestry Office Beerfelden, in the Hessian town of Oberzent.

“In the project funded by trans-o-flex, the habitat of the adder in the Hainbrunner Tal nature reserve near Hirschhorn has been very successfully maintained and protected for years through grazing with goats and an old domestic breed, the Württemberger cattle,” says Gudrun Kranhold, division manager at the Beerfelden forestry office, explaining the background of the project: “The habitats of the snake are mainly open meadow slopes and orchards. In addition, it inhabits dry stone walls with many crevices and cavities, which offer hiding places and retreats and serve as hibernation habitats. However, these biotopes become overgrown without maintenance. The snake’s preferred egg-laying and habitation sites are being destroyed.”

“Preserving biodiversity is one of the key global challenges and the project therefore fits well into trans-o-flex’s sustainability strategy,” says trans-o-flex CEO Wolfgang P. Albeck. “Last but not least, by sponsoring the Aesculapian snake, we are once again underlining our solidarity with our clientele from the health and pharmaceutical sectors.” In ancient times, the symbol of the Greek god of healing was a staff around which the Aesculapian snake coiled. The Aesculapian staff has been a symbol of the healing professions since then.

The Aesculapian snake is one of the largest European snake species. Males native to us can reach a length of up to 180 cm, females up to 140 cm. Adults have a yellow-brown to grey-black body colouring with a multitude of white-spotted edges along the flanks and back scales and a uniformly white to yellow coloured belly. The young resemble young grass snakes (which are also non-venomous) because of the yellow, crescent-shaped spot pattern on the back of the head.



So that goats and cattle in the Hainbrunner Tal nature reserve ensure that the steep areas do not become overgrown and the habitat of the Aesculapian snakes is thus preserved, trans-o-flex finances, for example, winter fodder, material and fencing.





Non-venomous, endangered snake and symbol of healing professions: The number of Aesculapian snakes has increased significantly in a sustainability project supported by trans-o-flex since 2008. The funding has now been extended for another five years until the end of 2027.



ESG strategy

New bee colonies in Koblenz and Cologne

After the first two beehives at the site in Driedorf in Hesse, further bee colonies have now found their home at trans-o-flex in Koblenz and Cologne. A beehive was set up at each of these sites in cooperation with the organisation “Deine Biene”. As part of its sustainability strategy, trans-o-flex wants to contribute to strengthening our ecosystems by establishing bee colonies at various sites. Background: Among all pollinators, the honeybee plays the greatest role environmentally. Almost 80 per cent of all crops and wild plants are pollinated by *apis mellifera*, their scientific name. The remaining 20 per cent is pollinated by bumblebees, flies, wild bee species, butterflies and other insects. Compared to bees, however, these are often very specialised and therefore “work” more slowly.

Clinic staff in Kiev have expressed their gratitude for the many relief supplies sent to Ukraine by trans-o-flex and sent this photo.



Relief efforts

Donations in kind for Ukraine, 30,000 euros for earthquake victims



Employees, customers and transport partners of trans-o-flex, as well as the company itself, supported aid for the people in Ukraine and in the Turkish-Syrian earthquake region with two major fundraising campaigns. To help the earthquake victims in Turkey and Syria as quickly and easily as possible, trans-o-flex has decided to call on employees and partners to make monetary donations. "Here it seemed best to us to support the German aid organisations that have proven themselves in emergency aid," said trans-o-flex CEO Wolfgang P. Albeck. For example, a trans-o-flex donation account was set up on 9 February via the "Aktion Deutschland Hilft" website. The organisation can then use this donation directly on the ground for exactly what is urgently needed. In just five days, 6,794.99 euros were collected in the donation account. The sum was topped up to 30,000 euros by trans-o-flex and transferred directly to Aktion Deutschland Hilft. The donation can now be used directly by the alliance for aid on the ground.

To help the people in Ukraine, the company collected around 60 pallets of relief goods, which were taken to a clinic in Kiev in cooperation with the Main-Kinzig-Kliniken Gelnhausen. In addition to a wide variety of pharmaceutical products, the aid delivery also included more than 1,400 trans-o-flex jackets, including almost 1,000 winter jackets. They were distributed in three different Ukrainian regions to people who often had to flee their homes in a mad rush because of the war and who do not have enough winter clothing. Pharmaceutical products were also divided among different hospitals. "The colleagues from Ukraine were very pleased and thanked us," senior physician Andriy Kyselyov wrote to trans-o-flex. "They have never received so many medical supplies and other things at once. Thanks again!" Kyselyov works at the Main-Kinzig-Kliniken in Gelnhausen. The surgical senior physician has Ukrainian roots and has coordinated the Ukraine aid.

Further training concept

Basic training courses meet with great response

The basic training courses provided for in the new further training concept for all trans-o-flex members have got off to a successful start. "The first dates offered at the Weinheim head office were fully booked shortly after they were announced," says trans-o-flex Managing Director Training & Service Michael Löckener, who is responsible for training. "We will offer more dates on a regular basis so that all staff can take part in the trainings in the near future." The two-day basic training is about ensuring that all employees have a consistent basic knowledge of express logistics and that the values and culture of trans-o-flex are supported and promoted. "The tasks of the basic trainers are assumed by internal managers who have been comprehensively prepared for them in train-the-trainer courses."

Professionally equipped training centres have been set up at selected sites, each responsible for a specific region, for this and other further training measures. "In this way, we can keep travel times and costs to the events to a minimum. At the same time, we achieve a higher take-up of the courses if they

are open to employees from different sites." A maximum of 12 participants are scheduled for a basic training course.

At the end of each basic training course, each employee receives his or her personal training passport, which confirms participation in the course. This training passport will accompany the employee throughout their time at trans-o-flex and all further training will then also be documented here. It is planned that employees can become specialists in their

field through further modules, for example. Various training courses for Operations, Sales, Customer Service or Administration are already in the pipeline. In addition to classroom sessions, various modules are also planned as online training.

**Stability and experience**

1,053 employees with us for more than ten years

At trans-o-flex, 1,053 employees will have been with the company for 10 or more years this year. 635 of them have been with us for at least 20 years, 237 even 30 and 17 at least 40 years. "We are lucky to have so many long-standing employees," says Dr Lorenz Waibel, Head of Human Resources Management at trans-o-flex. "Especially in times of a shortage of skilled workers, this is a wealth of experience that provides stability and professionalism."



Cover story

Pharmacies under pressure

Between a medications emergency and online competition: How much confidence do Germans have in the supply of medications? How can over-the-counter pharmacists get ahead of the game? Representative survey confirms: German citizens want the quality of pharmaceutical transport to be better documented and more transparent.

How is the purchasing behaviour for pharmaceuticals changing in Germany? Which supply channel does the population trust? What factors influence the decision? What role does the supply chain play in this? To get answers to these and other questions, the express service trans-o-flex, whose core business includes pharmaceutical distribution, commissioned a representative survey. The results are presented here in detail for the first time.

“On the one hand, the demands on pharmacies are increasing; on the other hand, their margins are decreasing, and the number of dispensed prescriptions is shrinking. As a result, the pressure on over-the-counter pharmacies in particular continues to

grow,” says Wolfgang P. Albeck, CEO of trans-o-flex Express. “Because pharmacies make up an important part of the clientele we serve, we wanted to know in more detail how the population in Germany views the supply of pharmaceuticals, and how they assess the importance of the supply of pharmaceuticals.” 1,002 adults from Germany took part in the representative survey on 13 January this year. “What we wanted was an independent assessment, and that’s what we got,” says Albeck in advance. “It is a frank description of the current situation, which surprised us to some extent and highlights starting points where and how the situation can be improved.”



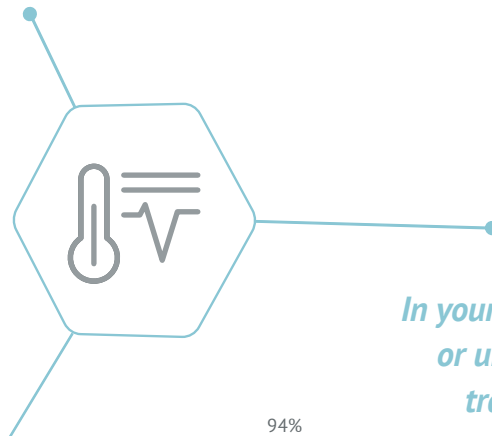


The survey, conducted in cooperation with the opinion research institute Insa Consulere, supports the assessment, also observed in professional circles, that the market share of online pharmacies will continue to increase. The vast majority of Germans still “usually” buy their medications at their local pharmacy. In the survey, 72 per cent of all participants indicated this. This proportion tends to increase with age. For those over 60, the figure is around 80 per cent, compared to 63 per cent for those under 30. In the West, the total share of over-the-counter customers is higher (74 per cent) than in the East of Germany (66 per cent, including Berlin).

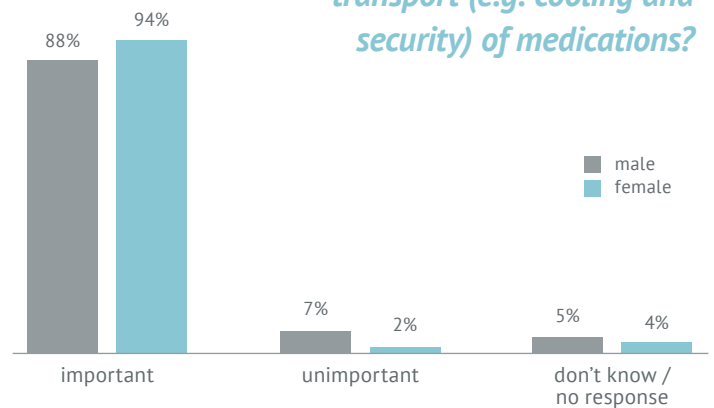
This purchasing behaviour cannot be due to a lack of trust in the online sales channel. This is substantiated by two questions. To the question: “How high or low is your trust in online pharmacies?”, 12 per cent answered with “very high” and 46 per cent with “rather high”. Overall, therefore, a clear majority of citizens have confidence in online pharmacies (58 per cent cumulatively). The answers to the question correspond to this: “Do you think medications from online pharmacies are of the same quality as those from a traditional pharmacy?” To this, 77 per cent answered yes, 9 per cent no and 14 per cent did not know or did not give an answer.

Given this relatively high level of trust, it is not surprising that the majority of those who do not regularly buy their medications over the internet have already ordered medications from an online pharmacy at least once. The overall figure here is 62 per cent. For women, the proportion is noticeably higher than that of men (67 per cent to 56 per cent).





In your opinion, how important or unimportant is the proper transport (e.g. cooling and security) of medications?



The absolute majority of both male and female respondents believe that the correct transport of medicines is important, with women stating this more frequently than men (94 to 88%). The latter are correspondingly more often of the opposite opinion (7 to 2%).

Higher earners are more inclined to buy medications online

If we look at the income groups, we notice that there is a very clear tendency. The higher the income, the more have ordered medications online. The curve rises here from 52 per cent (monthly household net income below 1,000 euros) to 71 per cent (households with more than 4,000 euros monthly net income).

People's assessment of the following topic is also likely to have a more positive effect on trust in online pharmacies: Do you think that the transport of medications is monitored (at least) as strictly as the transport of food? A relative majority of 45 per cent think so. Exactly one quarter of the respondents (25 per cent) hold the opposite view. 28 per cent answered here with "don't know". Another two per cent did not give an answer.

This fits in with the fact that an absolute majority of respondents (52 per cent) would also like to see steps taken "to increase the safety of medications in mail order during transport (e.g. quality seals, certifications, temperature monitoring)". Only ten per cent do not want this. The number of those undecided here is relatively high at 22 per cent (don't care) and 14 per cent (don't know).

Consumers want refrigeration and safety for the transport of medications

What is clear, however, is people's expectations concerning the quality of transport. For an overwhelming majority, "the proper transport (e.g. refrigeration and safety) of medications" is important. A total of 92 per cent share this opinion. For 68 per cent, this is even "very important", for another 24 per cent "rather important". The quality of transport is rated even higher by women than by men (94 to 88 per cent).

Perhaps this is because people expect such steps to be accompanied by cost increases. This is because 44 per cent were already leaning towards "more likely no" to the question beforehand: "Would you be (more) willing to pay more for a medication order if you knew exactly that the transport was verifiably in the right temperature range (= temperature-controlled)?" After all, more than a third (36 per cent) tended to vote yes on this question. 17 per cent were undecided. A look at the breakdown by age is worthwhile when considering willingness to pay: Among 18 to 39-year-olds, an absolute majority was willing to pay more, while in the other age groups, the willingness decreased with increasing age.

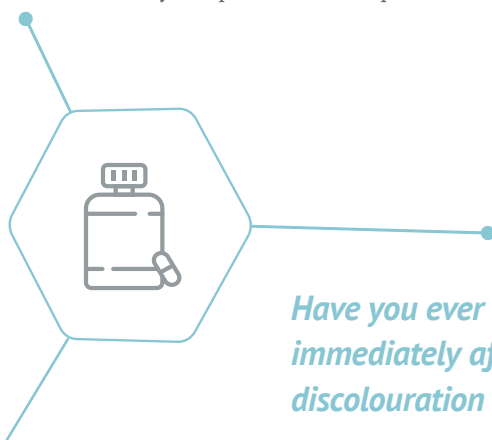
One in ten consumers has already received unusable medications

Regarding the quality of medications, more than one in ten respondents (11 per cent) have experienced “medications being altered or unusable immediately after purchase (e.g. flocculation or clouding of liquids, discolouration or liquefaction of ointments, gels, creams or suppositories, discolouration or cracks in tablets, changes in odour or swollen packaging)?” However, these experiences cannot be attributed to a specific distribution channel of the medications. For example, the absolute majority of 57 per cent of respondents who have ever had medications that were altered or unusable immediately after purchase have bought them at an over-the-counter pharmacy. About one-fifth of respondents (21 per cent), on the other hand, had purchased them from an online pharmacy. 13 per cent have purchased altered medica-

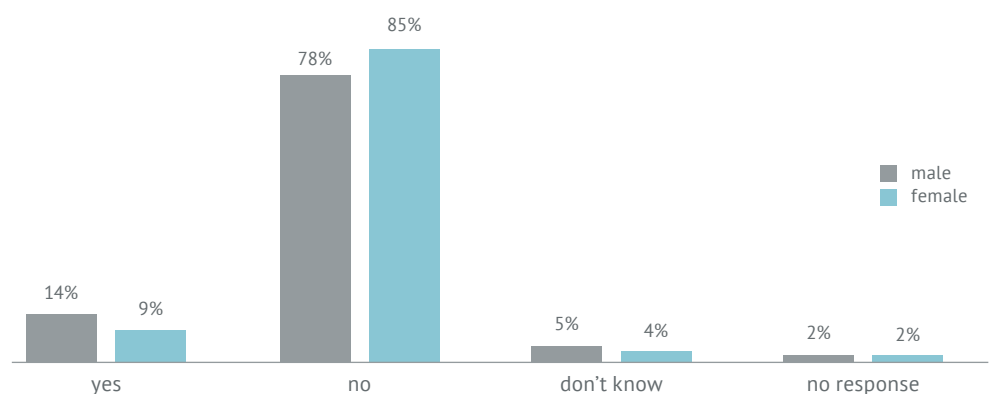
tions elsewhere. Six per cent could no longer remember. Two per cent did not know the answer and one per cent did not want to give an answer.

Given the market shares of online pharmacies (which experts estimate at less than two per cent for prescription medications and a maximum of 20 per cent for over-the-counter medications), the survey allows the conclusion at this point: the proportion of damaged medications seems to be higher in online pharmacies than in over-the-counter pharmacies.

“From our point of view, the survey produced very clear results with regard to consumers’ expectations of pharmaceutical logistics,” trans-o-flex CEO Albeck sums up. “Consumers assume that the transport of medications is strictly monitored, temperature control and safety are non-negotiable for them, and they want more transparency in questions of transport quality. These can be quality seals, certifications and temperature monitor-

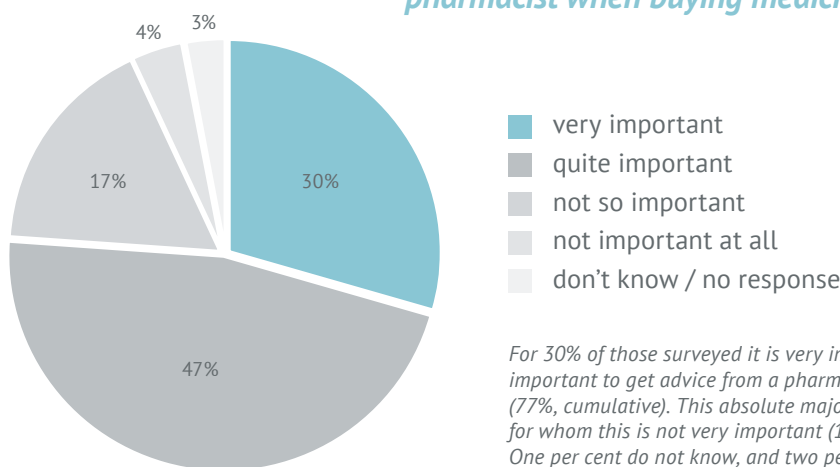


Have you ever experienced medicines being altered or unusable immediately after purchase (flocculation or clouding of liquids, discolouration or liquefaction of ointments etc.)?



Even though the absolute majority of both gender groups have never experienced medicines being altered or unusable immediately after purchase, the women surveyed report this more frequently than men (85% to 78%). The latter experienced this correspondingly more often (14 to 9%).

How important or unimportant is it to you that you are advised by a pharmacist when buying medicines?



For 30% of those surveyed it is very important and for another 47% quite important to get advice from a pharmacist when buying medicines (77%, cumulative). This absolute majority contrasts with 21% (cumulative) for whom this is not very important (17%) or not important at all (4%). One per cent do not know, and two per cent do not give an answer.

ing.” The study suggests that consumers not only place these quality requirements on online pharmacies, but also on over-the-counter pharmacies. “This makes it all the more important that uniform quality standards finally emerge across all medical distribution channels.”

Finally, according to Albeck, the survey gave an important indication of how over-the-counter pharmacies could continue to be successful in the future, namely in the area of providing advice. “How important or unimportant is it to you that you get advice from a pharmacist when buying medication?” was one of the questions asked by the study. With a total of 77 per cent, this aspect

was important to a clear majority of respondents. For 30 per cent, it was even “very important”. “Rather important” for 47 per cent.

Regarding the shortage of certain pharmaceuticals, the study also allows this conclusion; Germans do not blame pharmacies. On the contrary, more than six out of ten respondents are of the opinion that politics must do more to eliminate the shortage of insulin, antibiotics, antipyretics, and in some cases even medications for cancer patients. At 68 per cent, women are even more decisive than men (56 per cent), and older respondents are more decisive than younger ones (72 to 49 per cent). ■

Interview with GEODIS CEO

Why GEODIS acquired trans-o-flex

The acquisition of trans-o-flex by the globally active logistics group GEODIS and the consequences of this are her focus. This is why Marie-Christine Lombard, GEODIS CEO, gave this magazine an exclusive interview on the subject. In it, she describes for the first time in detail what she appreciates about trans-o-flex, how she sees the two companies complementing each other and what all this means for customers.

What do you like most about trans-o-flex?

The success of trans-o-flex is that of a family business that has taken just a decade to become a recognised leader in Germany in the very challenging market of temperature-controlled transport for healthcare goods and of express premium services. Its expertise and culture are perfectly in line with GEODIS's ambition and mindset: total commitment to high quality service and to clients' success in securing the distribution of their goods. This acquisition should enable us to expand our reach in Germany, Austria and neighbouring countries, as well as to significantly strengthen our position in the strategic fast-growing healthcare market. That is why we identified trans-o-flex a long time ago as a high-quality asset to enhance GEODIS's footprint.



*Marie-Christine Lombard has been
CEO of GEODIS since 2012.*

What does GEODIS expect from the takeover of trans-o-flex?

GEODIS is already present in Germany through its activities of Freight Forwarding (air, sea transport) and warehouse management. With the acquisition of trans-o-flex, GEODIS has added a premium last-mile distribution service throughout Germany to its product portfolio that should benefit all its customers worldwide. trans-o-flex also provides a temperature-controlled distribution network for healthcare products in Germany and neighbouring countries that is second to none. GEODIS will offer its global network and logistics infrastructure to these trans-o-flex customers.

What will it change for trans-o-flex customers?

GEODIS intends to keep trans-o-flex operating independently and to continue the excellent service and customer care that it has always delivered. In turn, we expect to offer our global network capabilities to trans-o-flex customers and to support trans-o-flex's European development further.

Are you planning further takeovers in the area of temperature-controlled transport for pharmaceuticals and other sensitive goods?

Temperature-controlled transport is currently used mainly in the pharmaceutical market, which is very profitable in Europe. This is clearly a strategic development area for GEODIS. So yes, we will look on a case-by-case basis at any acquisition opportunity that may arise and fits our strategic ambition.

Are you planning other acquisitions in Germany?

Germany is a key strategic country for GEODIS. We are already present in the country through our Freight Forwarding and warehouse management activities. And now with trans-o-flex we are adding a robust last-mile distribution network with a stronghold in the healthcare market.

So, first we need to implement the commercial synergies that we have envisaged through the acquisition of trans-o-flex. Then we will look at further developments to enhance our commercial value proposition and network.

**GEODIS**



Investing in machine learning

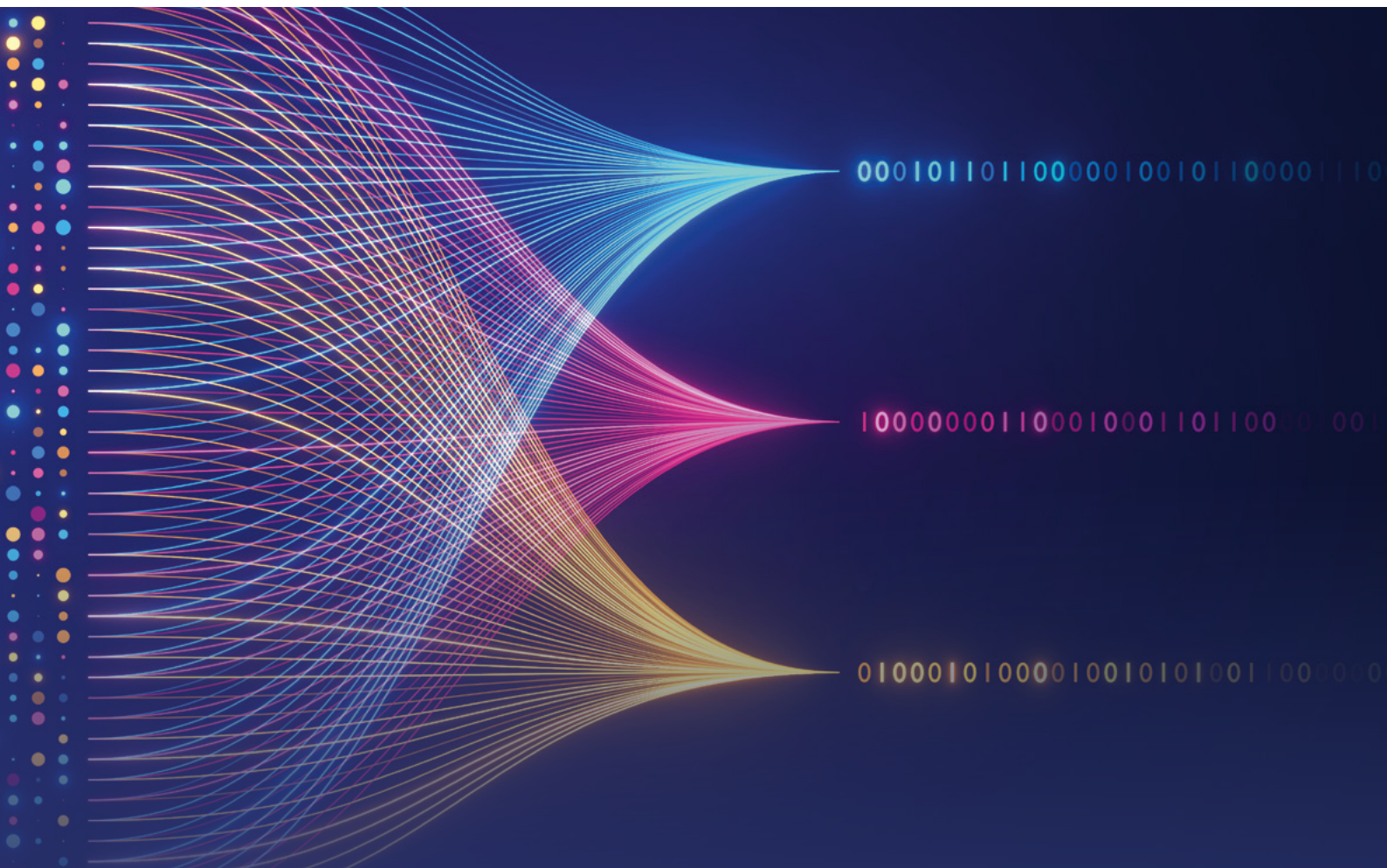
Uncovering the *hidden rules* of delivery

How trans-o-flex uses artificial intelligence to optimise final mile planning and what it can achieve: more successful first deliveries, reliable delivery windows, higher customer and consignee satisfaction, lower costs and less effort.

“As a rule of thumb, if a consignment cannot be delivered right away at the first attempt, but only at the second, the delivery costs will triple,” says Stefan Thömmes, Managing Director of trans-o-flex IT-Service GmbH. “An unsuccessful delivery attempt not only results in another delivery attempt, but the consignment must first be returned to the depot and re-scheduled for delivery the next day. It is not uncommon, for example, to add address checks or coordination with the sender.” This additional effort caused by multiple delivery attempts, the avoidable costs and lower customer satisfaction are the reasons why trans-o-flex is continuously working on increasing the rate of successful first delivery attempts and is now also using artificial intelligence (AI) for this purpose. “Industry experts know that customer satisfaction tends to decrease when the transit time of a consignment is unexpectedly extended. In addition, the final mile costs, i.e. for transport from the delivery depot to the consignee’s address, make up the largest share of costs for transport within a country,

more than collection, long-distance transport or administration.” All this shows how important the new AI applications are, which are presented here for the first time. According to Thömmes, their importance even increases if we briefly recall what else has changed regarding delivery in recent years.

“The consignment mix has continuously evolved towards an ever-increasing share of 2C consignments, i.e. consignments to private addresses,” explains the IT expert. “Even consignors who have traditionally only sold to corporate customers are now also sending goods to private consignees.” While companies usually have regular opening hours that can be looked up, this does not exist in the private sector. As a result, private customers are often not at home when a delivery driver comes by. “For private recipients, in particular, to be able to prepare for the delivery of a parcel, there is a growing desire for delivery notifications and reliable delivery time windows.” At the same time, planning such time slots is becoming in-



creasingly difficult. “Traffic jams, road works or diversions change transport times. With conventional planning tools, this has become almost unpredictable.” But even for business addresses, the delivery conditions are often very different. At one company, a delivery person first has to queue up at the goods receiving point, at another they can deliver directly.

But which tools are most suitable for solving the specific challenges of trans-o-flex, its customers and consignees? To answer this question, the specialists at trans-o-flex IT-Service GmbH had to analyse the delivery processes in detail. Thömmes describes a key lever for this as follows: “Stopping times are a central challenge in delivery and a prerequisite for suitable planning.” The stopping time is the time it takes a driver from the moment of parking to pick up a consignment from the vehicle, take it to the consignee and get back to the vehicle. This stop duration is influenced by numerous factors. It is obvious, for example, that a single parcel is delivered

faster than 20 parcels. The size of the packages plays just as much a role as the specific characteristics of the consignee: Can the driver drive directly in front of the delivery address, or do they have to load a consignment onto a hand truck and wheel it to the consignee? Are there reliable opening hours during which deliveries can be made? Is it possible that a consignee has a company holiday?

“As a first step, we have to record all such details that possibly influence the stopping time. Only then, in the second step, can software recognise patterns in the process, which can then be taken into account in the planning in a third step to facilitate delivery.” This sophisticated process describes exactly what is referred to by the technical terms machine learning or artificial intelligence (AI). It is therefore AI algorithms that trans-o-flex uses to optimise the planning quality over the final mile.





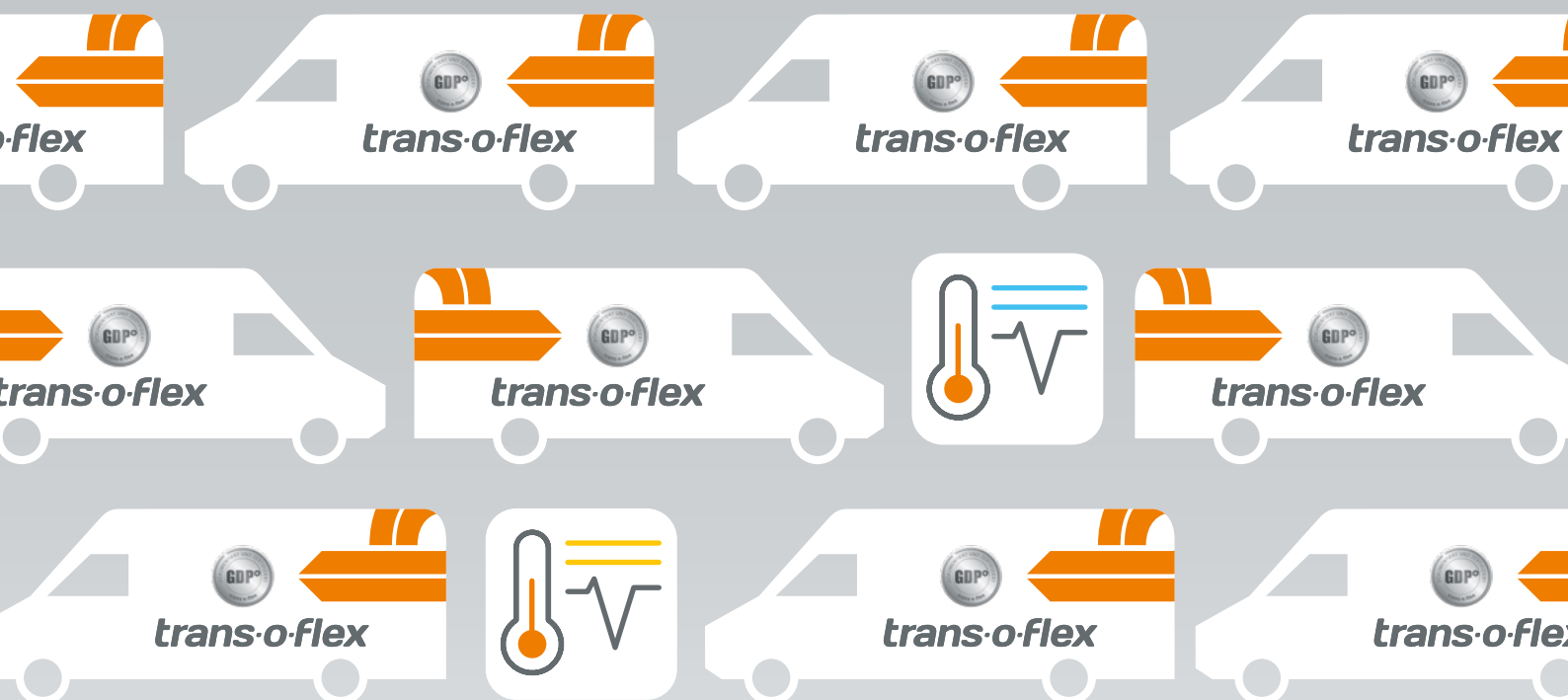
Stefan Thömmes

Stefan Thömmes (55) has worked for trans-o-flex since 2016 and has been Managing Director of trans-o-flex-IT-Service GmbH since then. Prior to that, he was Managing Director of IT-Service from 2003 to 2013. His team of 90 experts provides information technology and industrial engineering for trans-o-flex.

“An algorithm is, after all, a formalised set of IT rules for a specific area, in our case, mainly in delivery.” With each subsequent delivery, the software receives new information from which it can learn and refine the previously recognised patterns. So the algorithm gets better with each new delivery. “You can compare it to a game that has very complex rules,” Thömmes explains. “The better we know the rules of the game in the process, the better we can play.” They are improved step by step by the delivery with its different factors.

In practice, this has very specific consequences. For example, information such as the best parking options for a particular stop facilitates a reliable prediction of the delivery time at an address. “Realistic delivery time windows are as important as they are sensitive for our customers and their customers,” says Thömmes. “They are helpful, but at the same time they can cause a lot of resentment if they are not met.” That is why trans-o-flex will continue to invest in such AI processes. “This seems to be the most efficient way to, for example, increase the reliability of predicting a certain delivery time and thus further increase the satisfaction of customers and consignees.”

And when it has succeeded, AI will still not have finished learning, but can help to tap further potential. In this way, the AI is also supposed to learn that certain results directly trigger further processes. If, for example, a company has company holidays and the item can only be delivered afterwards, there should be an information of this automatically. “We are also in the process of developing and refining tools in this area.” ■



Vehicle acquisitions

Thermo-logistics vehicles for long-distance transport and local-level distribution

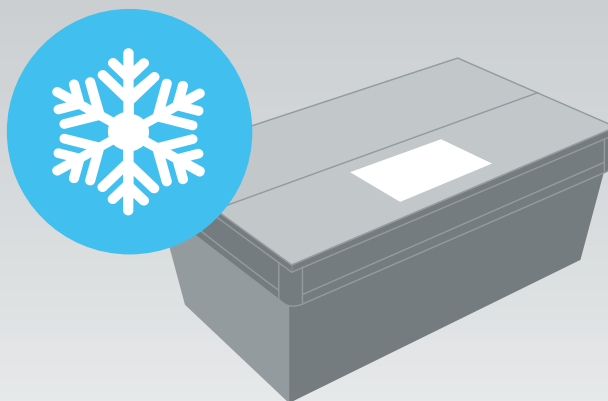
Ambient delivery capacity increases significantly – trans-o-flex Express procures its own pharmaceutical Sprinter vans for the first time – Cargo bike test in Bremen from April with Ambient consignments

trans-o-flex Express is significantly increasing investment in its vehicle fleet this year. The focus here is on thermo-logistics vehicles. “We will not only maintain the performance of the existing fleet through replacement purchases and improve it with new technology, but additionally increase the availability of special vehicles for distribution,” announced CEO Wolfgang P. Albeck.

To this end, trans-o-flex Express has already ordered 230 pharmaceutical Sprinter vans. The vans with a Mercedes chassis are fitted with a body from the manufacturer Spier. They are all scheduled for delivery this year. They are intended for the delivery of Ambient consignments, i.e. consignments in the temperature range of 15 to 25 degrees Celsius. The delivery of a further 270 pharmaceutical Sprinter vans is scheduled for 2024. >>

“With this new investment, trans-o-flex is significantly expanding its capacity for Ambient deliveries in local transport,” explains Albeck. “This is because we are replacing vehicles which to date were equipped with insulated boxes and therefore do not have as much Ambient capacity as fully thermos-logistics vehicles.” The company expects demand for Ambient transport to continue to grow. The number of thermo-logistics vehicles in operation will more than triple by the end of 2024 as a result of the investments that have now been decided.

Also this year, trans-o-flex will purchase 60 new insulated boxes. These boxes are a kind of temperature control cabinet for parcels. They will be installed in conventional vans so that Ambient consignments can also be delivered safely with these vehicles. The special feature of the new boxes: The temperature inside the box is displayed directly to the drivers on their hand-held scanner. In this way, the drivers can take action when certain limit values are exceeded or not reached, so that the temperature chain can be maintained.



The company Pöttker, which manufactures the new insulated boxes, has also developed an innovative solution for the delivery of Ambient consignments by cargo bike. These are battery-powered boxes with a spare battery. The containers are to be included in the ongoing test in Bremen from April. In Bremen's city centre, trans-o-flex Express has already been testing the delivery of consignments by cargo bike since 2022. With the new boxes, actively temperature-controlled delivery at 15 to 25 degrees can also be integrated into the practical test. The box can heat as well as cool. The Ambient test is to run at least until mid-summer in





order to be able to test reliability at extremely high temperatures. In addition, a type of box is being tested that is also battery-powered and has been specially developed for electric vehicles.

Last but not least, trans-o-flex Express is planning a total of 320 new trailers for its network this year. The first 100 of these are already scheduled to go on the road in the trans-o-flex network by the end of April. These are trailers with box bodies. Another 100 semi-trailers of the same type are to be delivered by the end of the year. In addition, trans-o-flex has ordered 120 new pharmaceutical trailers

for the long-distance transport of Ambient consignments. These trailers are so-called pharmaceutical trailers from the body specialist Krone.

“With these trailers, we can reliably comply with the pharmaceutical standard,” says Michael Zorell. At trans-o-flex, he is responsible for the Line Haul division. “We have been using the Krone pharmaceutical trailers since the launch of the Ambient network.” In the meantime, they are not only certified by the specialised service provider Pharmaserv, but also have a certificate from the European Institute for Pharma Logistics (EIPL). One example of the high standard of the vehicles is the double security in temperature data transmission. Normally, the trailer’s temperature data is transmitted to the trans-o-flex system via radio data transmission. In the pharmaceutical trailer, the temperature control unit is also connected to a printer. It works as a continuous temperature recorder and thus prevents gaps in the temperature history in the event of a radio transmission failure. ■



The thermo-logistics units of the new pharmaceutical trailers not only cool and heat, but also provide double documentation: They transmit the temperature data digitally via radio data transmission and are additionally connected to a printer as a continuous temperature recorder as a backup.



View of the HARTMANN logistics centre in Herbrechtingen, Baden-Württemberg. It is located north of Ulm on the A7 motorway and is one of two locations where trans-o-flex collects HARTMANN goods.



Customer solution

All in one: From the order to the delivery

En route to digital processing: Why PAUL HARTMANN AG switched from an in-house solution to trans-o-flex and what experience the international medical device manufacturer has had in the process

PAUL HARTMANN AG has used an in-house solution for product distribution for more than two decades. Since 2021, the internationally active company, which manufactures and distributes medical and care products, has been using numerous services from trans-o-flex. In addition to standard and express services with deliveries by 8, 10 and 12 noon, these also include value-added services such as the delivery note service and ward delivery. trans-o-flex magazine spoke to Uwe Schmidt, Head of Global Supply Chain Management at the HARTMANN GROUP, about how this change came about and how the cooperation is developing.

HARTMANN: Medicine and care

Founded more than 200 years ago, PAUL HARTMANN AG is the parent company of today's HARTMANN GROUP, which is present in 36 countries and achieved sales of 2.3 billion euros in 2021. The HARTMANN GROUP is regarded as a leading European provider of system solutions for medicine and care. Product brands include MoliCare® (incontinence management), Zetuvit® (wound care) or Sterillium® (infection management).



They were looking to outsource various logistics solutions. What were the main reasons for this?

With this solution, HARTMANN has opted for greater digitalisation. For us, the decisive factor was how we could best realise a closed process from the order to the delivery from the customer's point of view. This resulted in requirements for tracking and tracing and electronic proof of delivery, for example. So it was a question of how we could best realise our path to paperless order processing and map it out via our own IT.

How long did it take your company to select a new shipping service provider?

Selecting a service provider is a task over which we always take our time. Because our main intention is to build strong partnerships. And in order to enter into strong and long-term partnerships, a process of research and consideration must take place. This is an important basis for ensuring that shipping also runs as smoothly as possible.

How do you rate the combined transport of parcels and pallets?

The hybrid solution, i.e. parcels and pallets in one network, has the advantage that we can offer our existing customers consolidated delivery of parcels and pallets. The delivery is then only carried out by one partner, which relieves the customers. We become more attractive for our customers.

Who do you predominantly deliver to?

Our customer structure ranges from GP surgeries to large university hospitals. In addition, pharmacies as well as old people's and nursing homes are our customers.

You use numerous delivery options. These include conventional express deliveries for particularly urgent consignments, but also special forms such as ward delivery (in-house delivery). Do you decide who gets certain things delivered directly to a ward, or how does that work?

For us, the customers and their preferences are always the deciding factors. At trans-o-flex, we use the ward delivery service, where deliveries are made to the ward of a hospital or to a residential area of the retirement/nursing home.

We find out what our customers' specific needs are by talking to them. If we can meet the delivery request directly because we already have the respective solution in our portfolio, then



He was ready to answer questions: Uwe Schmidt is Head of Global Supply Chain Management at the HARTMANN GROUP.

our field service can tick the box directly. In all other cases, we check the feasibility, because we also want to develop further with our customers and their requirements. And with great cost awareness, value-added services are also examined, because they also cost more. These costs must be shown transparently beforehand so that a clinic, for example, can calculate what is the best solution with its available resources.

When do you use the trans-o-flex delivery note service and why?

In cases where our customers still want a paper document, we use the trans-o-flex delivery note service. For this purpose, HARTMANN transfers a file with the delivery note, which is then printed out by trans-o-flex at the destination depot and handed over to the consignee together with the goods. Our goal, however, is to inspire our customers step by step for the electronic delivery note, not least for reasons of sustainability. In the 2B sector, one third of the customers already use it.

Was there or is there something at trans-o-flex that particularly impressed you?

For us, it is an advantage that trans-o-flex is able to sort goods by machine and distribute individual parcels. Freight forwarders can't do that. Unlike parcel services, however, we at trans-o-flex can also hand over goods loose on pallets. This enables us to achieve good pallet and truck utilisation. This is highly efficient, sustainable and cost-saving. In addition, the network of sites is an advantage, because the two sites that collect goods are very close to our warehouses in Brück and Herbrechtingen. This allows for late collection times.

How important is sustainability in transport for HARTMANN? Are plastic pallets or returnable containers a topic of discussion for you?

Anything that makes us more sustainable is fundamentally interesting and will be examined intensively by us. We have therefore started to look at plastic pallets, for example, as part of our sustainability drive. However, this is not something we can change overnight. The focus here is also on what agreements we have with our customers. ■

By working with trans-o-flex, HARTMANN can offer its customers consolidated delivery of parcels and pallets. This relieves the consignees and facilitates the shipping process.



Fancy added value?

In addition to its standard transport services, trans-o-flex offers numerous value-added services. For three of them we have briefly summarised the most important information here.

You can find an overview of all value-added services here:
bit.ly/3kWDdJ7



1 In-house delivery: Directly to where a consignment is needed

With the in-house delivery service, which is also called ward delivery or desktop delivery, the delivery person takes the item to a specific floor, department or directly to a specific person according to the sender's instructions. If the delivery location is easily accessible with a pallet truck, this also applies to the delivery of pallets. In this way, trans-o-flex ensures that the goods arrive exactly where they are needed. Especially in large consignee centres such as hospitals, office buildings or universities, this ensures a fast and safe arrival at the final consignee. The exact destination (e.g. building, floor, room number, name of the consignee) must be visible in the consignment data as well as on the address label of the package. For consignments with multiple packages, all packages must have the same destination

2 Home Care: Directly to the patient

The Home Care value-added service is designed especially for supplying people who receive medicine, medical devices or clinical nutrition products in a recurring cycle at home or in old people's and nursing homes. The driver delivers to the specified point of use (floor, flat, room, etc.) within the private household or care facility. For this service, consignors must use a separate customer number, the consignment record must contain the additional service and the packages must be marked with the corresponding

service label. Specially trained drivers perform the delivery, taking into account, for example, that the consignees need longer to open the door. For these deliveries, longer stop times are planned from the outset.

3 Delivery note service reduces paper

At PAUL HARTMANN, the value-added delivery note service means that one third of customers already use electronic delivery notes and at PAUL HARTMANN itself, deliveries can be processed without paper. Because for all customers who still want a delivery note on paper, trans-o-flex prints out the corresponding documents. If required, the delivery notes can be printed in the customer's own design, or in a standard layout. The delivery notes can either be handed over at the consignee's or returned signed by the recipient and archived. The prerequisite for using this service is that the sender transmits a delivery note file to trans-o-flex (print data). In addition, the additional service must be marked in the consignment data record according to the interface description. This makes it clear that the additional service is desired for the respective consignment. Thanks to trans-o-flex IT, scanning the consignment then automatically triggers the printing of the documents when the delivery vehicle is loaded. The driver receives the documents and has exactly how many delivery notes he has received and how to proceed with them (hand-over to consignee or signed for with subsequent return and archiving) written on his route handover sheet.

Sascha Caninenberg, Regional Sales Manager West and Division Manager International Sales & Operation at trans-o-flex.



European network

B2C consignments drive record growth

EURODIS, the European transport network founded by trans-o-flex, recorded a 60 per cent increase in consignments in 2022 – one reason being special B2C solutions such as in Austria

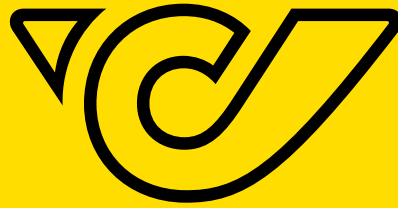
What do families and logistics networks have in common? This question is not a joke. Rather, it can help to understand the particular dynamic that EURODIS, the international network for the joint transport of parcels and pallets, has embraced. It is not uncommon for families to gain a whole new dynamic when the first children are a little older and then more children come along. Roles change, and established processes are reviewed and optimised. The growth of the family is simply unmissable, and last but not least, a larger car is often needed so that everyone can still travel together. A comparable dynamic has developed in the international logistics network EURODIS.

First launched exactly 30 years ago by trans-o-flex together with European partner companies, the alliance of strong national logistics players was initially successful as a pure B2B network. In 2015, EURODIS entered the B2C market. And since then, record year after record year has followed. Driven by the strong development in shipments to private customers, EURODIS reported double-digit growth rates in each of the last three years. 15 per cent in 2020, 31 per cent in 2021 and 60 per cent in 2022. In the meantime, more than every second international EURODIS consignment now goes to a private address. In total, EURODIS transports tens of millions of consignments.

“One of the main reasons for this continued success is that almost all partners have now developed special solutions to ensure that items are also delivered to private customers the first time and that possible returns can also be handled easily and without complications,” says Sascha Caninenberg. As Head of International Sales & Operations at trans-o-flex, he is the central point of contact for EURODIS shipments. “Austria is a good example.” The postal company there is the market leader in the Austrian parcel business and, as a EURODIS partner, delivers all parcels sent from the network to Austria.

“Österreichische Post AG is already good at conventional 2B delivery, but in delivery to private customers it has some almost unassailable competitive advantages,” Caninenberg says. This is how doorstep delivery increasingly works regardless of the consignee being there. This is because Österreichische Post AG now has around 1 million drop-off authorisations from consignees. It is testing in-home deliveries, where the parcel carriers have access to the consignee’s home and drop off the parcel there. Last but not least, there are over 66,000 mail collection hubs. “These are boxes at or in private homes to which the postal delivery staff have exclusive access with the help of an RFID chip and through which around 600,000 households in Austria regularly receive their parcels.” In





Österreichische Post in figures

At €1.25 billion, the Parcel & Logistics Division at Österreichische Post AG generated more revenue than the letter mail business for the first time in 2021. Since 2009, the number of domestic and international parcels has steadily increased – from 50 million to 184 million in 2021. To be prepared for further growth, Österreichische Post AG has invested around 500 million euros in the expansion of its parcel infrastructure in recent years. An outstanding example is the logistics centre in Allhaming in Upper Austria, which also serves as an import and export hub for international parcels in the EURODIS network, for example to and from Germany. Here, an existing logistics centre has been extended so that up to 30,500 parcels per hour can be sorted automatically.

Because Österreichische Post AG is also a pioneer in climate protection in its country's logistics sector, the roof of the extension was planted with native sedum shoots and 75 species of grasses and herbs. In addition, this biodiversity roof received a photovoltaic system that, when completed, will have a capacity of 1.5 megawatt peak (MWp) and generate green electricity for the operation of the plant as well as for e-vehicles. Österreichische Post AG aims to deliver all mail items in Austria 100 per cent CO₂-free by 2030. The company aims to achieve the Net Zero goal – to be climate neutral in its entire value chain – by 2040.

Österreichische Post AG recently put its 3,000th e-vehicle into operation. One of its sustainability goals is to have completely CO₂-free delivery in Vienna by 2025.





In addition, the Post offers nationwide alternatives to doorstep deliveries. Consignees can also pick up their parcels at one of around 1,750 branches or one of over 520 collection points. They offer a total of more than 100,000 collection hubs and are usually open 24/7. About 11 million parcels were delivered via mail collection hubs or collection points in 2021, six per cent of Österreichische Post AG's total parcel volume. Trend: strongly increasing.

“As the market leader in Austria, we were able to maintain the level of the good previous year with 181 million parcels transported in 2022,” says Peter Umundum, COO for Parcel & Logistics, Österreichische Post AG. Group-wide, parcel volumes at Österreichische Post AG amounted to 430 million. “We are proud to be part of the EURODIS network and to be able to rely on strong partners like trans-o-flex. EURODIS shows how successfully the cooperation of logistics professionals in Europe can function and we continue to work on international solutions, also to further improve our collection and delivery services – successfully, quickly and in the usual high quality for our customers,” adds Peter Umundum. Österreichische Post AG is also setting new standards in the area of sustainability: with its CO₂-neutral delivery service, it is considered a pioneer of green logistics in Austria, and with its innovative flagship project “Green Packaging”, Österreichische Post AG is conducting research into reusable packaging to avoid packaging waste in e-commerce. ■

Special solution for hazardous goods, pallets and ODG

In Austria, the delivery of EURODIS items is handled by two different service providers. While parcels go through Österreichische Post AG, which specialises in this (see adjacent article), dangerous goods consignments, goods on pallets and so-called operationally difficult goods (ODG) are delivered via the leading Austrian freight forwarder Gebrüder Weis. “EURODIS also offers a one-stop service in this combination,” says Sascha Caninenberg, Head of International Sales & Operation at trans-o-flex. “Every customer has their usual contact person, consignment tracking is done via a system, we collect all forms of consignment together from the consignor and transport them into the country together. This ensures maximum bundling effects on the long haul. It is only in Austria that the consignments are split between two different networks at the incoming hub.”



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*What's really important:
is that Roland has his
Katja back.*

*The new medication, the rehab, the logistics
behind this. Health needs reliable partners.*

