

trans·o·flex

Issue Spring 2019

magazine



Returnable: Retailers test innovative packaging

- *Pilot by trans-o-flex and expert Group* •
- *Newly developed containers ensure more safety and less waste* •
- *Products on sale faster* •



Straight to the destination

How extra tours also fulfil very special wishes

Smaller, faster, safer

Why trans-o-flex has moved into a new data centre

International demand booming

Why the European network is planning for double-digit growth rates

Customers rate trans-o-flex better in 2018 than in the previous year

In the customers' opinion, the competence and quality of the trans-o-flex logistics group as a whole continued to improve in 2018 over the previous year. This is the conclusion of the second representative customer survey, in which 399 customers participated at the end of last year. "For us, the result serves above all as confirmation that we are on the right track," says Wolfgang P. Albeck, Chairman of the trans-o-flex Management Board. "In addition, the survey showed us some points in which we could improve even further. We have also taken careful note of these and have already initiated steps for further improvements."

Seven out of ten customers surveyed have certified that trans-o-flex delivers higher quality and is faster than other service providers. As many as eight out of ten customers believe that trans-o-flex is safer than other transport networks. While trans-o-flex's customers have generally attested that the competence of the contact persons in the company as a whole has continued to increase, satisfaction with most individual areas has also continued to rise. Customer service has improved the most. Sales were rated as good as in the

previous year. There was a slight deterioration in the rating for Operations. Customers noticed improvements in temperature-controlled delivery in 2018. By contrast, they rated keeping to agreed deadlines less highly than last year. "We have already taken countermeasures here and our internal quality measurements also confirm that the changes are taking effect," explains Albeck.

In addition, more customers than in the previous year have acknowledged that trans-o-flex's services and IT are innovative. And last but not least, customers consistently feel better informed in all areas. At 82%, the vast majority of customers now prefer to be informed by e-mail. As regards this question, where multiple answers were possible, e-mail and personal information (= visit from sales) ranked second with 80%. These are followed by mytoflex.de with 65%, physical letters with 49% and social media with 44%.



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Dear Readers,

You can read this issue of our customer magazine in two very different ways. On the surface, the magazine presents numerous new logistics ideas and developments that are equally important, useful and interesting for you as a customer and for trans-o-flex. But you can also read between the lines in this issue. And where it says: trans-o-flex listens to its customers. There's more to it than that: At trans-o-flex we not only listen well to find out what our customers really want and need, but we also succeed again and again in putting what we hear into practice. This is how new products or services evolve from listening. In this way we change our organisation on the basis of what we have heard, so that working with us is more enjoyable and efficiency goes up. Would you like some examples?

We have first of all regionalised our customer service so that customer proximity is not only on paper, but can actually be practised and experienced. And now we have also brought back the consignee hotline in-house, which had previously been outsourced, and integrated it into our own customer service. The satisfaction of the consignees, which is becoming increasingly important to you as a shipping customer, has already increased significantly in the first two months after the changeover. See Page 22.

We have listened and learned that our consignee app trans-o-flex insight should not only notify users of consignments from trans-o-flex Express, but also consignments from trans-o-flex ThermoMed. Listened. Done. See Page 6.

We have heard that some customers had concerns about the data security and speed of our previous data centre. Since November 2018 our servers have been located in Frankfurt, where they are connected to the German and worldwide data highway, where they are stored in the Fort Knox of a service provider and where two independent systems each work with mirrored data sets. See Page 8.

We have heard that a major customer, the electronics retailer expert, wants returnable packaging that meets the special needs of products from the consumer electronics and home entertainment sectors. Here we have developed a tailor-made solution with the support of our shareholders. In a very promising pilot project, 6,000 containers have been moving back and forth between the expert central warehouse and 35 retailers since December last year. The cover story of this issue starting at Page 10.

But we are also listening very systematically and therefore surveyed all our customers again at the end of last year. Many thanks to all who took part! Your feedback was very encouraging and showed us that we are on the right track. But you have also told us where you see a need for improvement and pointed out specific operational weaknesses. We have tackled these, and I believe that you have all noticed the improvements in your everyday shipping operations in recent months.

My conclusion today: Quality comes from listening. Because from my point of view, listening carefully (as well as the watching closely) forms the basis of every successful service. That's why I promise you, we'll keep listening. And we will continue to implement suggestions and ideas. So that you can experience with us what top quality is.

But quality can also be read. I therefore wish you an informative and inspiring read!

Wolfgang P. Albeck
Chief Executive Officer



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++ SHIPMENT NOTIFICATION I ++

Active, fast information via SMS or e-mail

Last year, trans-o-flex notified consignees almost 70,000 times in advance by SMS or e-mail that a consignment was on its way. More than 100 customers use this special service to actively advise their consignees about the forthcoming delivery. The short message contains the notification of the consignment, the e-mail also contains the link to trans-o-flex's consignment tracking service. This enables consignees to call up the status and the entire history of the respective consignment with a simple click. "Especially in the B2C sec-

tor, this service has proven itself because it increases the rate of successful first delivery attempts and the satisfaction of the consignees," says Magdalena Panek, Product Manager at trans-o-flex. If you wish to use this service as a shipper, all you have to do is enter the consignee's e-mail address or mobile phone number in the appropriate places in the data record of the respective consignment and send it together with the other data.

++ SHIPMENT NOTIFICATION II ++

Advance notification via app now also available for ThermoMed consignments

trans-o-flex has once again extended the service scope of its consignee app. Consignees can now use the trans-o-flex insight app to call up information about ThermoMed consignments. "With this app, we want to offer a unique service to regular consignees of trans-o-flex consignments," says marketing manager Tatjana Schröder. "To ensure that the detailed information available via the app can only be read by authorised persons, we have implemented a double authentication process." After registering in person, the consignee must scan a ThermoMed consignment addressed to them. "It's very easy with a mobile phone or tablet. And subsequently they can access all the information about trans-o-flex consignments at any time. Both those which they have already received and those which

consignors have handed over to trans-o-flex on their behalf."

With trans-o-flex insight, consignees can see before delivery when a delivery is scheduled (1 hour window), how many consignments they are going to receive from which consignors, whether they are also dangerous goods, temperature-sensitive or COD consignments and what the COD amount is? By scanning the QR code on their parcel, consignees can also see the temperature curve of an Ambient or Thermo Direct consignment. "No other service provider offers this information to its consignees," says Schröder.

For a simple status update, the app can also be used at any time without registration. trans-o-flex insight provides shippers with a new way of notifying their customers of a consignment in advance. It works like this: simply send the consignee the number of a trans-o-flex consignment and a link to the trans-o-flex homepage. There, the consignee clicks on the 'Shipment tracking' field. They are then automatically redirected to the desktop application of the insight app, where they can enter their tracking number, and see the current status.



++ SUSTAINABILITY REPORT ++

CO₂ emissions successfully reduced

From 2010 to 2017 the trans-o-flex logistics group has reduced its total emissions of the greenhouse gas CO₂ by 30%. In 2017 alone, the emission of CO₂ was reduced by a good 10%. The main reason for this was a sharp improvement in efficiency, as the number of consignments increased in the same year. One of the main reasons for the improvement in efficiency was that capacity utilisation was increased. In other words, more consignments were shipped with fewer vehicles. All these figures are included in trans-o-flex's latest sustainability report. The report can be downloaded from the trans-o-flex homepage in the 'About us' section under 'Environmental protection'.

On 36 pages, this annual document shows how trans-o-flex combines its economic progress with environmental protection, employee development and social commitment.



++ PERSONAL CONTACTS ++

Customer service with clear customer assignment

"It is the clear wish of our customers that they have a personal customer service representative close to them," says Andrea Blum. The Head of Customer Service (CS) at trans-o-flex has implemented this customer request together with her team. "We have clearly assigned which site is responsible for which customers." According to Blum, responsibil-

ity simply depends on the postcode of the main loading point or on the customer's company headquarters. "This assignment and the decentralisation of the CS initiated before this have indeed brought us closer to the customer geographically." The temporarily established central support service for some small and medium-sized customers has also been changed. Since 1 January, every customer has again had a personal contact person in their regional Customer Service.

++ NEW DATE IS SET ++

Customers want Pharmaceutical Day to continue annually in September

Customers appear to love it: trans-o-flex's Pharmaceutical Logistics Day. More than 98% of the participants had a good or very good overall impression of the event that took place in Heidelberg on 27 September 2018. And nine out of ten customers intend to come back next time. This is the result of the evaluation of the customer questionnaires with which trans-o-flex collects feedback on the organisation, the topics, the speakers and the requests of the customers. For the first time, the question of when and how often the Pharmaceutical Logistics Day should take place in future was also asked. Answer: Eight out of ten customers would like to see the event every year and the majority would also like to see it in September as before. Only two out of ten would rather have a biennial frequency.

The next event is already being planned as requested. The date will be 12 September 2019. Personal information about it will follow shortly.



++ TRANS-O-FLEX NOW ++

Service for spontaneous shipping needs is extended

The trans-o-flex now service introduced in October 2018 has passed its test and is therefore going to be expanded. With this new service, trans-o-flex has also opened up its express network to companies that do not regularly send parcels or pallets, but want to spontaneously send a consignment. Depending on a shipper's postcode area, consignments can be registered into the afternoon in order to be collected on the same day and delivered to consignees throughout Germany. At product launch, a maximum of one pallet or standard and express parcels weighing up to 32 kilograms were collected with trans-o-flex now. Deadline deliveries up to 8, 9, 10 and 12 o'clock can also

be booked. The next step will be to expand the service to include multi-parcel consignments and temperature-controlled ambient consignments from the third quarter onwards. In addition, trans-o-flex now will also allow international consignments and collection from third parties. Consignments in the trans-o-flex now service have a weight- and service-dependent fixed price per parcel or pallet. However, customers who use the service regularly will in future also be able to use individual tariffs based on the volume of orders.

And this is how it works: The new product can be booked online at mytof.de at any time after registering once. Alternatively, telephone bookings are possible. The service is designed for shipping between companies. The collection of a consignment is always included in the price.

++ IT ARCHITECTURE ++

More efficiency, more speed, more safety

"It was as if you were changing the tyres of a Formula 1 car while driving," says Stefan Thömmes, Managing Director of trans-o-flex IT-Service GmbH, looking back. What no other pit team has managed to do so far, trans-o-flex pulled off at the end of November last year. trans-o-flex has brought a new computer centre in Frankfurt on stream without interrupting operations. To date, the heart of the trans-o-flex IT architecture at the headquarters in Weinheim was based on an area of 180 square metres. Now the heart is beating at an IT service provider in Frankfurt, occupying only four square metres of space, but pumping data much faster and more securely through the logistics cycle between shipper, service provider and consignee.

The actual data relocation and the commissioning of the new system were scheduled for a weekend in order to minimise any disruption to operations. For safety reasons, the system was not run at full speed right from the start. This is why the provision of information accompanying the consignments was delayed in the initial period following the move. The data was not displayed in the customer information systems with the usual speed. For example, proof of delivery details were not available immediately after delivery. "But even this is now running at full speed," says Thömmes, whose responsibility includes the project to upgrade the trans-o-flex IT landscape. "The multi-million investment has paid off, we have a great



++ 2C DELIVERY ++

New service solves problems

"Our new service for deliveries to private households, which was only launched in September 2018, has been very well received," says Lutz Blankenfeldt, Head of Commercial, Marketing and Strategy. "Customers have realised that our approach is a real problem solver." In the meantime, more and more customers who have previously handed over their 2C consignments to another service provider are taking up the offer. "They are also talking to us about the possibility of private delivery because they can reduce their consignment split," explains Blankenfeldt. "They want to reduce the number of interfaces to transport service providers and gain greater transparency."



On the one hand, trans-o-flex takes into account the special conditions of such deliveries with its new 'delivery to private address' service: that there are no fixed opening hours for making deliveries, that private consignees are often not even at home when the delivery service calls, that fewer packages per address are delivered and that the journeys are often longer. On the other hand, the costs associated with these conditions should not pose an incalculable risk to the shipper.

system and are well prepared for the developments of the future."

The new location was chosen "because Frankfurt is the centre of the German Internet," explains Thömmes. The move represents a milestone on this path. "In Frankfurt we are connected to the high-speed information superhighway, we are taking a further step forward in terms of availability and stability, and also in terms of security." The IT data heart of trans-o-flex has been spread over several locations at the new site. The data is always mirrored. There are two independently running parallel systems. "We always have a backup," says Thömmes. "If one system fails, we could continue working directly with the other."

For this reason, a pricing model has been developed that is simple and also rewards the shippers for their assistance. "Customers are able to mark a consignment as a delivery to a private address during data transmission," says Blankenfeldt. "This consignment will then automatically be billed at the agreed amount for private customers." This price is always lower than if a consignment to a private address is not marked as a private delivery. "If the driver realises that they are delivering to a private address that is not marked as such, a standard surcharge will be applied for a delivery to a private address. This is higher than the price agreed with the customer for the private delivery because it includes an administrative surcharge."

According to Blankenfeldt, the aim of the new product is not to turn trans-o-flex into another parcel service for private consignees. "But for our traditional customers, who have more and more 2C consignments, we want a solution that works 100% and that is sustainable for all sides: for shippers, for consignees and for the logistics partner." That applies especially to the special services of trans-o-flex. As such, it is also possible to combine active temperature control and the express services with private delivery and thus, for example, ensure maximum patient safety for sensitive pharmaceuticals. In addition, regular consignees can use the trans-o-flex insight app to obtain information on all items that are on their way to them.

**COVER STORY**

trans-o-flex and expert develop
new solution for
returnable packaging

*Pilot test with 35 expert retailers: 6,000 containers in use,
products on the shelf faster, 60% less damage to sales
packaging, 100% loss-free*

Size: 60 x 40 x 40 cm
(folded 7.5 cm high)

Weight: 4.1 kg



Size: 30 x 40 x 25 cm
(folded 6.5 cm high)

Weight: 1.67 kg

The prices for cardboard boxes have known only one direction for years – steeply upwards. In the last year alone, shipping cartons have gone up in price by a double-digit percentage for numerous providers. At the same time, many shippers are complaining that the quality of the cardboard is deteriorating due to the increasing proportion of recycled paper. And now the government has tightened its reins too. In the Packaging Act, which has been in force since the beginning of this year, the rules for "putting transit packaging into circulation" have been significantly tightened.

For Edwin ten Voorde, however, there were other reasons for bringing the subject of returnable packaging to the table in a workshop with trans-o-flex and selected expert partners. Ten Voorde has been Head of Logistics at electronics retailer expert since April 2016. From its central warehouse in Langenhagen near Hanover, the trade association group supplies its affiliated retailers throughout Germany with mobile phones and washing machines, televisions, computers, printers and navigation devices. Various service providers are used for the transport. In the joint workshop with

trans-o-flex, Edwin ten Voorde's main focus was on the following question: "Can you help us with returnable containers to reduce the number of damaged sales packages and rule out theft during transport?" In addition, the 49-year-old Dutchman is pursuing a completely different goal: "We at the expert head office see ourselves as service providers for our affiliated retailers. This is why it is important to us to relieve our retailers in the incoming goods department and to ensure that the goods are ready for sale more quickly. To this end, we are aiming for automatic goods receipt."

The workshop last summer had very concrete results. At trans-o-flex it provided the impetus for the development of a completely new returnable

solution for the core industry CE/HE (Consumer Electronics/Home Entertainment). And since December of last year, expert has been testing in a pilot project whether the desired goals can be achieved with the solution offered.

"For many years, trans-o-flex has been transporting goods in returnable packaging on behalf of various customers."

"For many years, trans-o-flex has been transporting goods in returnable packaging on behalf of various customers," says Jean Fürst, Head of Transshipment at trans-o-flex. "But none of the containers we used seemed 100% suitable as a CE/HE industry solution." But in the quest for an innovative solution, trans-o-flex found what it was looking for among its circle of shareholders. Since 2016, this circle has included the owners of the Schoeller Group, to which Schoeller Allibert also belongs. The company has been developing, producing, selling and renting returnable plastic transit containers for more than 60 years. Leopold Schoeller, Managing Director of Smart Container Loop (SCL), used this know-how with his company and developed a new returnable container concept with seamless track and trace software for expert's needs. It is to be made available exclusively via trans-o-flex. "In our opinion, an optimal CE/HE solution must fulfil several conditions," says the 29-year-old Schoeller. "Due to the safety requirements, the container must above all be extremely stable, and then different sizes are required in order to be able to transport different shipping quantities optimally, and we must clearly document the transfers of liability. This enables us to know how many containers are located where and to allocate the deposit and usage costs to the responsible party."

Two types are used, each closed with a lid, double strapped and secured with two seals. The containers are foldable so that they take up little space during return transport and storage. Folded and set up, the containers form fixed stacks, with two small containers each fitting exactly onto one large one. When folded, 100 large containers and 200 small containers fit on one euro pallet.

SCL uses a specially developed trans-o-flex interface for the documentation of liability transfers and the allocation of usage costs to the responsible party. The information that this is a returnable container is included in the consignment data. During the various scans in the transport process, from collection to sorting to delivery, SCL receives

Edwin ten Voorde

With the switch to reusable transport packaging, Edwin ten Voorde, Head of Logistics at expert, is pursuing ambitious goals.





Leopold Schoeller, Managing Director of Smart Container Loop, also plans to develop returnable containers for pharmaceutical logistics.

information on the status of the container, allowing it to monitor and track the stock if, for example, a container has been handed over to trans-o-flex by the sender or accepted by the recipient. Similar documentation is provided for the return shipment. The trans-o-flex delivery drivers can collect containers that the recipient wants to return with their hand scanner. The collection information is also automatically sent to SCL via an interface. Fürst: "Our goal was to create clear, simple and automatic process documentation in order to keep transparency as high as possible, whilst keeping the administrative effort for shippers and recipients as low as possible."

According to Edwin ten Voorde, the pilot test at expert has so far been "extremely satisfactory". 6,000 returnable containers are in circulation, 35 expert specialist stores are now involved in the pilot project. This means that about ten percent of the quantity that leaves the central warehouse in Langenhagen every day is shipped in one of the new returnable containers. The containers are delivered to the retailers via four trans-o-flex sites in Sehnde near Hanover, in Ostwestfalen-Lippe, in

Nuremberg and in Straubing. If the retailer has empty containers, the trans-o-flex driver will take these with them immediately. Before that, the driver enters the number and type of containers on his handheld computer. The expert retailer confirms by signature. "The quick removal of empty containers from our retailers also speaks in favour of implementing the returnable solution with trans-o-flex," says ten Voorde. "Even if a retailer receives a delivery from the central warehouse only once a week, trans-o-flex is at the retailer's almost daily and can take empty containers with them." The background to this is that trans-o-flex works for many companies in the electronics industry and supplies retailers directly on behalf of manufacturers, for example.

"If our drivers have taken empty containers with them, they drop them off at the depot in the secure storage area," explains Jean Fürst of trans-o-flex. "The containers are collected there and then stacked on pallets and returned to the expert warehouse." As soon as the system is used by several customers, the return can also be carried out through a pool operator, who will then also ensure that damaged containers are exchanged and replaced, clean them if necessary and always provide the shippers with a sufficient number of containers on demand.

"With the changeover to reusable containers," explains ten Voorde, "some problems in shipping have been solved by themselves." In practice, for example, with cardboard packaging, there is always the case that a retailer does not accept a parcel at all and sends it back because it is damaged on the outside. "That has never happened yet with the returnable containers." The number of cases in which the retailer finds, after unpacking, that sales packaging is damaged despite intact transit packaging fell by two thirds in the pilot test. "And we haven't had a single loss so far." This means that the head



The QR code of the shipping label also contains information on whether and which returnable transit packaging is used.

of the logistics department at expert has come a great deal closer to his goal of automatic goods receipt. "If the pilot operation continues to produce the same results, we want to change our processes so that the products in the container are automatically released for sale as soon as the retailer has accepted the container. Even if the staff cannot immediately put the incoming goods on the shelf, the salesperson still sees in the system that the goods are there and in which container they are. He can sell directly to a customer who only wants the blue iPhone that has just arrived." This produces decisive advantages in terms of product availability, especially in the high season from September to the end of the year. In addition, the effort required by retailers to dispose of the cardboard packaging would be significantly reduced. And last but not least, the returnable containers would improve expert's CO₂ footprint.

On the sack truck, the returnable container has advantages because it is stackable and does not slip.



Leopold Schoeller backs this up with figures. "Analyses of the entire life cycle of returnable packaging compared with disposable cartons have shown that returnable containers generate a total of 31% less CO₂." Independent experts have attested this to the IFCO pool, for example, in which around 270 million returnable containers are used worldwide every year for more than 1.4 billion deliveries. "This will save over three million tons of CO₂ annually."

The decision as to whether expert will completely change over shipping from its central warehouse to returnable containers is reserved for the shareholders of the purchasing pool. It is expected after the final evaluation of the pilot test for April, and the economic effects will go into making the decision.

"Analyses of the entire life cycle of returnable packaging compared with disposable cartons have shown that returnable containers generate a total of 31% less CO₂."

Electronics retailer with 422 outlets in Germany

That their garage company would take off in this way was something the ten shareholders would never have expected in their wildest dreams. In fact, however, the company Bild + Ton, which was founded in a garage in Hanover on 1 June 1962, has since become the second-largest electronics retailer in Germany. The initial ten shareholders of Bild + Ton have now become almost 200 shareholders and members of the expert Group, who operate 422 electronics stores throughout Germany. As the parent company, expert SE in Langenhagen near Hanover manages the cross-outlet interests of the independent retailers via various subsidiaries. These include, for example, e-commerce, purchasing and the large 35,000 square metre central warehouse in Langenhagen.

About 45% of the goods sold are purchased by the independent retailers through expert Warenvertrieb GmbH, the group's own wholesaler. This corresponds to an internal turnover (industrial sales prices excluding VAT) of more than 2.1 billion euros. The equity ratio of the expert Group is 37%, the total sales area of all expert outlets is 449,000 square metres.



NETWORK EXPANSION

New site in Hesse sets operational and ecological standards

The purchase of land has already been sealed. trans-o-flex will build a new branch at the Potsdamer Platz. However, this Potsdamer Platz is not located in Berlin, but in an industrial estate in Driedorf in Hesse, about halfway between Siegen and Limburg. The trans-shipment hub planned there will set operational and ecological standards. The start of construction is planned for autumn this year, with commissioning scheduled for the following year.

"We chose this site because it is ideally located for our two networks, trans-o-flex Express and trans-o-flex ThermoMed," says Wolfgang P. Albeck, Chairman of the trans-o-flex Management Board. Without having to drive through the town of Driedorf, the trans-

o-flex vehicles can reach the B255 east-west link road in one minute from the 39,000 square metre site and the A45 south-north link road in nine minutes. "Because we will be handling both Express and ThermoMed consignments at this site, we will be able to leverage further synergies for our networks."

The sorting centre, which is planned directly next to an existing solar farm, will be equipped with its own solar power system on the roof. "We can use the solar power we generate ourselves to operate the fully automatic sorting system, to control the temperature of the load compartments of the vehicles before loading and to charge the batteries of possible electric vehicles," adds Albeck. For more than ten years now,

trans-o-flex Express has been supplying its electricity from renewable energy sources. "Our proportion of self-produced electricity from solar energy will increase continuously, primarily by equipping the roofs of our properties with solar modules."

For construction and operation according to the latest environmental and energy-related aspects, the logistics centre will be clad with a particularly thick layer of insulation on its outer skin and equipped with LED lighting technology. The heating and/or cooling of the trans-shipment hall and the offices will either be provided by geothermal heat or air heat pumps.

PREPARATION FOR DIESEL DRIVING BANS

More than ten million euros for 240 new special vehicles

The first new vehicles arrived in March. A total of 240 new vans, trucks and trailers have been ordered by trans-o-flex and are all to be delivered and operational this year. "On the one hand, we are investing in our vehicle fleet in order to upgrade it and create the capacity for further consignment growth," says Wolfgang P. Albeck, Chairman of the Management Board. "On the other hand, with the current order we are preparing for further diesel driving bans." For this reason, only diesel engines that comply with the latest emission standards were ordered and will therefore not be affected by driving bans as things stand at present. "We would also like to use electric vehicles," adds Albeck. "But our tests last year showed that the limitations in range are still so great, especially for the vehicles with temperature control that we need, that it is hardly possible and uneconomical to use them in practice at the moment." Nevertheless, Albeck has set the goal for this year that the first

deliveries with electric vehicles will be made in the fourth quarter. It is expected that the delivery vehicles will be without active temperature control of the cargo space.

The vehicles now ordered are exclusively temperature-controlled insulated vehicles with a special body: 150 vans (3.5-ton vehicles from Mercedes-Benz) and 35 trucks (14-ton vehicles and 5-ton vehicles from Iveco). The trucks are two-chamber vehicles in which the goods can be transported in two temperature zones (2 to 8 degrees Celsius and 15 to 25 degrees Celsius). In addition, 55 thermo trailers will be procured for regular services (single-chamber system). All vehicles are certified according to pharmaceutical standards and can therefore be used for transporting medicines immediately after delivery. According to Albeck, the total acquisition costs amount to "considerably more than ten million euros".

All new vehicles are already certified according to pharmaceutical standards upon delivery.



HAZARDOUS GOODS EXPERTISE

The network without exceptions: all drivers, all cars

Nobody loves dangerous goods. Too expensive, too complex, too dangerous. Most logistics service providers therefore either completely rule out transporting dangerous goods, allow only a few classes of dangerous goods or accept the supposed exemptions of limited quantities in order to avoid the obligation to label their shipments. "But such substances exist because they are needed. And it is the completely wrong way to ignore the dangers and to allow yourself to be lulled into a false sense of security, because 'only' limited quantities are shipped or transported." Dusan Blach is in his element when it comes to hazardous goods. He has been with trans-o-flex for 24 years and has been its Dangerous Goods Officer since 2005. Together with two colleagues, his task is to make the entire trans-o-flex organisation fit for dangerous goods logistics.

Because trans-o-flex Express operates one of the few nationwide logistics networks with a complete dangerous goods organisation. "We transport all classes of dangerous goods with the exception of class 1 explosives and substances with subsidiary risk class 1 under temperature control. This means that the drivers must be trained and the vehicles must have the necessary equipment, but that is by no means all." Blach warns against always referring to drivers when it comes to dangerous goods. "Everyone who deals with dangerous goods, be it in the handling of specific consignments or just with the administration, has completed a job-related training course at trans-o-flex." This also applies to sorters and packers, to employees in the secure storage area and to route handlers, to branch managers and clerks. "The topic of dangerous goods must be present in people's minds and it must be actively practised. Otherwise you will not get the diligence that is necessary in dealing with the goods and their accompanying documentation."



According to Blach, the bureaucratic rules of the national and European dangerous goods regulations are often wrongly criticised. "Of course, you first have to get used to the jargon used in the dangerous goods world and simply remember that there are no cartons in dangerous goods legislation, for example, but boxes made of cardboard. Above all, however, the ADR should not be misunderstood as sanctioning rules," says the 53-year-old. The dangerous goods law is first and foremost a safety regulation – even with the innumerable variants of having to pay fines. "It's about protecting life, health and the environment. And at trans-o-flex, we're getting better at that." Blach is particularly proud of the fact that last year a total of around 16,000 tonnes of dangerous goods were transported by trans-o-flex, but that no reportable event occurred.

Shippers who have questions about dangerous goods shipments can get in touch with the respective sales contact or the Dangerous Goods Officer Dusan Blach directly by e-mail (dusan.blach@tof.de).



Dangerous Goods Officer at trans-o-flex for 14 years: Dusan Blach.

Tips for shippers

"Every consignment is important and needs to be handled with care, but dangerous goods consignments carry special risks," says Dusan Blach, trans-o-flex's Dangerous Goods Officer. So that there are no safety risks with the goods or fines for errors in handling dangerous goods, Blach recommends three things to shippers based on his many years of experience:

1

When handing over dangerous goods, make sure that the driver and the vehicle are qualified. The driver must be trained and the vehicle must have basic equipment and load securing equipment.

2

Companies that ship dangerous goods should also have a dangerous goods officer. Although this is not a basic requirement, experience has shown that companies without dangerous goods officers are much more likely to make packing errors with dangerous goods consignments and that transport documents are incorrect or incomplete. Because this has to be corrected, it often leads to longer transit times, resulting in poor quality assessments and, in the case of inspections, fines.

3

Regularly check the dangerous goods legal processes and adapt them to changed situations (operational procedures/legislation).

SPECIAL TRIPS

Straight to the destination for (almost) every purpose

Hand on heart! Did you know that trans-o-flex also offers full truck load shipping? Or special security transport services with Tapa certification? Or special trips for time-critical shipments? However, all these and more are services that the Liniengerkehr division (regular service) has not only developed for its own trans-o-flex network, but also offers to customers. More specifically, there are even two products for these services, each of which offers a different range.

trans-o-flex direkt. This includes spontaneous or sporadic direct journeys, where goods have to be transported from A to B. We use what is most suitable for the goods: from semi-trailers to dangerous goods vans to temperature-controlled insulated box-body trucks. Liniengerkehr generally purchases these services from the transport companies, which otherwise also operate for trans-o-flex. Transport is offered at the daily price.

trans-o-flex charter. These are also direct journeys organised by the shipper to one or more consignees or between third parties. Apart from the fact that trans-o-flex addresses are also used here, the difference to trans-o-flex direkt is that the customers receive fixed conditions for the defined period. That is why this service, which requires a

more comprehensive calculation and capacity purchasing for the respective period, is used by customers who regularly have such shipments. trans-o-flex charter has several additional variants for special requirements.

One variant is the special trip, which can be time-critical, unscheduled or specially transported goods. In addition to complete loads, individual parcels are also shipped here, which are transported directly from the consignor to the consignee without any transshipment.

A second variant are Tapa-certified safety transport services, which trans-o-flex regularly provides for a large electronics group, among others. This is where goods leave the Logistik-Service either as direct delivery to the client's customers or to trans-o-flex depots, from where the goods are then delivered to their final destinations. With this service variant, the focus is on the special protection of the (mostly high-value) goods. For this reason, there are special requirements for vehicles, fixed routes, GPS monitoring, central locking of the loading compartment, specially trained drivers, emergency management for drivers and dispatching.

Other variants include direct transport of dangerous goods, pre-carriage by road and onward carriage by air, shipments with temperature control or very specific actions. This includes, for example, the organisation and handling of warehouse relocations. For example, the entire inventories of various customers have been relocated to the Logistik-Service warehouse, from where they are now delivered via the Express network. However, this also includes special trade fair deliveries, where goods are delivered to the desired trade fair stand or collected from the trade fair stand.

Contact



If you have any questions about any of the products, Oleg Nikolajew is available in Liniengerkehr. His contact details: oleg.nikolajew@tof.de, +49 6201 988-119.

LOGISTIK-SERVICE

Hormosan gives green light for serialisation of drugs

The schedule was perfect. In good time before the deadline of 9 February 2019, trans-o-flex Logistik-Service had completed all preparations in order to be able to start the serialisation of pharmaceuticals. With a few exceptions, all prescription drugs manufactured and released for sale in Germany after this date must be serialised. The trans-o-flex subsidiary, which specialises in warehouse logistics and associated value-added services, had already obtained the necessary manufacturing authorisation for the repackaging of pharmaceuticals at the end of last year. There was plenty of time to install and test all the equipment that can be used to provide the packs with a tamper-evident seal and print on the serial numbers. The pharmaceutical company Hormosan had already been won as the first customer for serialisation. "We could even have started serialisation before the deadline," says Christian Schumann, Head of Supply Chain at Hormosan Pharma. "But we still had enough stock on hand that had been produced before the deadline and that didn't need serialisation. In principle, we gave the green light for serialisation by Logis-

tik-Service." Their employees have already provided other value-added services for Hormosan. For example, pharmaceuticals have been repackaged into smaller pack sizes and the article number, batch and expiry date printed on the packs. Logistik-Service announces: "Our processes are up and running, have passed the test and we can bring in more customers at any time".



++ TIME SLOT DELIVERY ++

Evening service now also available for ambient consignments

Ambient consignments, i.e. products actively temperature-controlled at 15 to 25 degrees Celsius, can now be combined nationwide with trans-o-flex

evening delivery. "The combination is extremely useful, for example, when delivering to pharmaceutical sales representatives," says Lutz Blankenfeldt, Head of Commercial, Marketing and Strategy at trans-o-flex. "They are usually on the road during the day at the customer's and the storage permit, which we have for these consignees for regular goods is not valid in many

cases for temperature-controlled consignments of medicines, because there is an obligation to deliver them personally." According to Blankenfeldt, the new combination means that the ambient goods can usually be delivered directly on the first delivery attempt, because it is more likely that the consignee will be at home between 5 p.m. and 8 p.m.

GDP SCORECARD

New tool shows GDP compliance at a glance: Sites can compare quality with each other

Compliance with the EU rules for good pharmaceutical logistics entails much more than monitoring and controlling the temperature at which medicines are transported and stored. Because it is important to have an overview of all process steps and various parameters at all times in order to be able to take countermeasures quickly and effectively, trans-o-flex developed the GDP+ Monitor back in 2017. Now this internal application for quality improvement has been significantly expanded and developed into a GDP Scorecard.

"The GDP+ Monitor has already shown our operations staff when and where deviations from the specified processes occurred during the transit or handling of ambient shipments," says Stefan Thömmes, Managing Director of trans-o-flex IT-Service GmbH, who is also responsible for operational development. He developed the tool together with his team. "This allows the causes of errors to be eliminated and processes to be improved." With the GDP Scorecard, trans-o-flex goes one step further. "The scorecard is what the user first sees when they open the web-based application GDP+ Moni-

tor," adds Thömmes. "Because this shows at a glance how well the GDP processes are adhered to."

But the extension is not just a new view. Rather also the processes have been extended which are measured in the GDP+ Monitor and shown in the Scorecard. Training and cleaning are now also measured and evaluated. In addition, the training certificates are now centrally available. They have to be uploaded from each site after training, otherwise they will not be included in the evaluation. In the past, they had to be called up and entered at the sites.

Thömmes: "The extensions make our picture of the GDP compliance, that is, the compliance with the GDP specifications, more informative and our options for intervention more diverse." And the individual sites can view their GDP compliance and compare it with other sites. This is always a monthly view. "So you can see at any time to what percentage a site complied with the GDP quality specifications in one month. Ideally, the needle should be at 100% at the end of the month."

++ INSOURCING ++

trans-o-flex operates consignee hotline again

In 2018, consignees of trans-o-flex consignments called the consignee hotline around 82,000 times. Since January, all these enquiries have again been handled directly by trans-o-flex employees.

"In the past, we tried to relieve our customer service by outsourcing the consignee hotline to a specialised call centre," explains Andrea Blum, Head of Customer Service (CS) at

trans-o-flex. "But we have realised that these enquiries relate to a core competence of our company." From their point of view, insourcing leads to greater customer proximity. "The reactions of the consignees are an important indicator of satisfaction with our service. Our customer service staff get a more complete picture of how the service is going, because they get feedback from both the shipper and consignee sides." This not only increases the competence of the employees, but at the same time makes their work more varied. The first months in the new organisational structure had already shown that it was working. "Our CS staff can answer most of the consignees' enquiries directly and consignee satisfaction with the service is very high."



Altogether the GDP Scorecard evaluates the quality from four areas which can be expanded further if necessary.

- 1 GDP quality:** Were all the mandatory scans done? Were there any temperature deviations? The scorecard measures the process conformity of ambient processes at package level. This means that for each package, all deviations from the specified processes are measured, evaluated and included in the overall display of the scorecard.
- 2 Processing of alarms:** How quickly is an alarm processed by the sites, for example in the event of a temperature deviation that is registered in the vehicle? And how quickly is the error that triggered the alarm corrected?
- 3 Training:** How well do the sites train employees in operational processes? The documents are entered manually by the sites.
- 4 Cleaning records:** These document when and where cleaning took place.

++ INVESTMENT IN QUALITY ++

trans-o-flex hires 20 driver trainers



To ensure and further improve the consistency of delivery quality, trans-o-flex plans to hire up to 20 driver trainers this year. The first five are scheduled to start in April and are currently being prepared for their tasks. The trainers are to train and qualify delivery staff in a targeted manner. "We are also investing in the quality of our transport partners' drivers," says Till Luhn, Head of Training & Academy at trans-o-flex. "We specifically want to recognise the efforts of the drivers, appreciate their work and motivate them more." Luhn and a project team have developed a training concept that will be implemented by particularly experienced drivers. In addition to practical exercises and accompanying driving, experts from the fields of training, quality and operations have developed theoretical training units. The project is based on a mixture of various online and classroom training courses that impart, test and build on each other's knowledge. trans-o-flex enlists the help of external training experts to strengthen the driver trainers' coaching skills.



DOUBLE-DIGIT GROWTH RATES EXPECTED

Boom in international shipments

EURODIS, the international network for parcel and pallet shipments set up 26 years ago by trans-o-flex, is accelerating its growth. In 2018, the organisation, which operates in 36 European countries, increased the number of consignments transported by 9%. This nearly doubled the growth rate of the previous year. And EURODIS expects double-digit growth rates for the current year.

"The development in 2018 was also very positive because we set the course for more service and more growth," says Christian Knoblich, Managing Director of EURODIS GmbH, Weinheim, which controls the transport network. He gives three reasons for his satisfaction. "First, at nine percent, we again grew faster than the market as a whole. Secondly, we are seeing good growth in our core B2B segment as well as in B2C consignments."

EURODIS incorporated deliveries to private households into its service portfolio in 2015. 2B shipments continue to account for the vast majority of consignments in the network, but 2C volumes are growing faster. "Thirdly, thanks to new solutions and partners in the EURODIS network, we are confident that we will be able to accelerate our pace of growth once again this year and even achieve a double-digit rate, which we just missed in 2018."

More service and volume to and from Poland

"The positive effects of the change of partner in Poland were already noticeable after a short time," says Jens Reibold, Head of International Affairs at trans-o-flex. At the end of last year, Geis Parcel replaced the then delivery partner DHL in the international EURODIS network. "With the change, the delivery options in Poland have increased significantly and we have very quickly had more requests from customers who want to transport shipments to Poland."

According to Reibold, Geis in Poland delivers both B2B and B2C shipments, manages dangerous goods shipments and collections as well as returns or cash on delivery. "Our requirements and standards are met in full." Reibold is therefore expecting significant volume increases in Polish shipments this year. "I assume that not only we, but also our

other international partners will acquire more shipments to Poland. In addition, we will benefit from additional import volumes." While DHL was a pure delivery partner for EURODIS, Geis also uses the European network to distribute export consignments from Poland.

The Geis Group operates a nationwide network in Poland for the transport of goods in parcels and on pallets. In addition, it offers warehouse logistics, part and full truck load shipping as well as air and sea freight. Geis employs around 1,000 people at 36 sites with a total of 83,000 square metres of logistics and handling space. They generate an annual turnover of 60 million euros. "We are delighted to be EURODIS partners now," says Daniel Knaisl, Managing Director of Geis Poland. "This confirms on the one hand our high quality and efficiency in Poland and on the other hand gives us access to a European network with strong national partners who handle our export packages."

Two developments in particular lead Knoblich to his optimistic outlook. "We are getting strong new partners in the EURODIS network this year," adds the manager. "Just recently we introduced the Geis Group in Poland as a new partner." (More about the new partner above on this page). "We will also be introducing at least one new partner for an important European country in the course of the year, which will also boost our growth."

Finally, Knoblich, who has been managing the development of EURODIS for two and a half years, expects imports from Asia to stimulate growth. "Of course, we already deliver consignments from China and other Asian countries. But this year, we will offer a special solution for these flows of goods through a partner." The consignments from Asia could then converge on a central Europe gateway and be distributed from there to 36 European countries.

INVESTMENT BACKLOG CLEARED

"We have kept our promises"

trans-o-flex shareholder Peter Amberger on the further development of the company: Ideal time for customers to expand relationship

Together, the Schoeller and Amberger families have been 100% shareholders of trans-o-flex since 2016. As strategic investors who know the industry well and have a long-term interest in the development of the company, the shareholders not only attend regular sessions with the management but also participate in important internal conferences and meetings. At the recent trans-o-flex management conference, this magazine had the opportunity to ask shareholder Peter Amberger how he sees the current and future development of trans-o-flex.

Mr Amberger, did you expect trans-o-flex to already be in the black by the second year of your investment?

We weren't sure, but we believed the company could do it. In the years prior to our joining, a number of decisions were made that put trans-o-flex and its customers to the test. The fact that this deep crisis has been overcome and that a high level of service has now been achieved again speaks for the great potential associated with the special trans-o-flex system, its many long-standing employees and customers.

Does this mean that the company has been saved and is out of danger?

In any case, we have left the phase in which the company accumulated high losses behind us. In 2018, earnings before interest, taxes, depreciation and amortisation were positive. An acute threat therefore no longer exists. This has created a basis on which trans-o-flex can further develop itself and its services.

What was the decisive turning point?

It was crucial to stop the losses and bring the quality of the service back up again. trans-o-flex has managed to do both under the leadership of Wolfgang P. Albeck. We were therefore happy to extend our cooperation with him at the helm early last year.

As a shareholder, how do you intend to continue to oversee the further development of the company?

First of all, it was of course important to give the company a solid financial framework in which to thrive. We did this back in 2016. In doing so, we also cleared the investment backlog from which the company had been suffering. For example, once all newly ordered vehicles have been delivered this year, trans-o-flex ThermoMed will have updated and expanded almost its entire fleet in less than three years. At trans-o-flex Express, investments were necessary for the further development of the IT landscape. Over the past year, there have been major steps forward with the introduction of a new generation of handheld scanners and with the move to a new data centre and a state-of-the-art system architecture. At the same time, we have started to upgrade our sites and increase their efficiency. This is where we will be focusing this year. As shareholders, we can also contribute our experience in the development and operation of logistics facilities. However, we also see opportunities for cooperation in other areas, such as the development of new solutions for returnable packaging.

Is trans-o-flex now a sure-fire success?

No, there is no such thing anymore. Take the big car companies, even these are no longer sure-fire successes. They also have to reinvent themselves due to new challenges such as electric mobility and are faced with completely new challenges such as Tesla or perhaps Google or Apple. The same applies to trans-o-flex. We have kept the promises we made when we first joined trans-o-flex. From my point of view, now is the ideal time for everyone involved to get off to a good start together. The trans-o-flex team can show what else they have to offer, and customers can entrust additional quantities to the system because the network offers a stable and great service. And together, service providers and customers can achieve greater added value.



More depth!

Benefit from real added value for you and your consignees. Packages that use a trans-o-flex 2D business label automatically include a QR code that contains 36 times more information than the conventional barcode. This depth of information means more speed and security. All relevant shipping information as well as optional additional details such as serial or batch numbers, product-specific stability data, sales notes and other information can be read even if the label has been partially damaged.

The next time you adapt your shipping solution, be sure to integrate this effective and future-proof technology.

Any further questions? Your sales partner is looking forward to your call.

