

3,000,000

employees work for Hermes Transport Logistics.

223,000,000

miles covered by lorries carrying the Hermes logo each year in Europe.



720

updates every 24 hours – a GPS system gives information on the position, speed and status of a swap body.



1,400

lorries are deployed – in close cooperation with four strategic partners.

OPTIMUM TRANSPORT

Simply transporting the goods is often not the whole job – this is why Hermes Transport Logistics offers its customer a comprehensive range of logistical services

Transporting a container from Augsburg to Berlin is not difficult. They are around 300 miles apart, and this distance can be covered by a lorry in around six or seven hours. Things are different when you're talking about transporting something from Beijing, Bangalore or Baltimore to Augsburg.

Ships or aircraft also come into play. Usually it's not just one container that needs to be transported but many; problems such as customs clearance and time pressure must be resolved, costs reduced and CO₂ emissions minimised. Sounds complicated, doesn't it? It is complicated. In such cases the best way forward is to avoid the local hauliers operating in the relevant area of business and rely on Hermes Transport Logistics (HTL).

HTL has been operating as an independent company since 2009; with its wide range of logistics services, it is an important link in the value chain of the Hermes group of companies. On the road, on water or in the air, HTL transports freight from more than 30 countries to national and international customers belonging to the Otto Group or, for example, Ikea, Beiersdorf and Metro. Around 3,000 employees handle more than 700,000 individual orders each year. In close cooperation with four strategic partners, approximately 1,400 lorries and 7,500 swap bodies and semi-trailers are deployed.

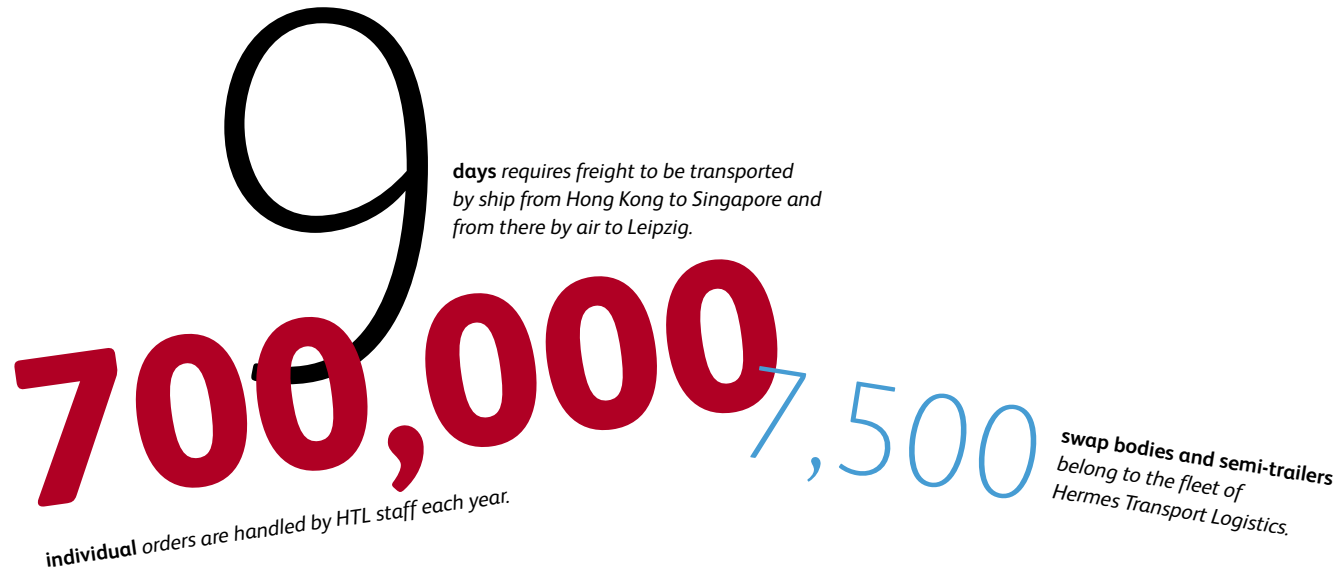
Every day HTL serves 2,000 land routes within Europe. Every year more than 100,000 container units (TEU) are shipped and 15,000 tonnes of freight flown

to its destination. Faced with all these figures, the layperson understands one thing: This job can only be done on the basis of a painstaking management of processes, with computer programs developed and standardised right to the last detail and tested and monitored by experienced logistics experts. The job is complex, although Frank Rausch, Chairman of HTL, is able to sum it all up in a single sentence: "Transporting the largest possible quantity of freight by the shortest route using the lowest possible number of transport modes".

Europe in eight square metres

Every year lorries bearing the Hermes logo cover 138 million miles in Europe. How can all these rounds be linked up – this is the question that 65 employees in the Network Operations Department have to deal with every day. Their key work for solving the problem is: optimisation. HTL has developed computer programs and processes that eliminate or simplify many of the tasks of a dispatcher, whose job it is to monitor delivery rounds and vehicles.

At the company's headquarters in Hamburg, there is a video wall covering more than eight square metres. It displays a map of Europe, speckled with many hundreds of green, yellow or red dots. If the dispatcher zooms in on a dot, he obtains information on the status and location of each of the 7,500 swap bodies. They are like containers but stand on four thin legs. Packed full with boxes, they are mainly used in the mail order sector. "Hermes' swap bodies are



fitted with a GPS unit powered by solar cells”, says dispatcher Torsten Brinsa. In the course of 24 hours, 720 updates are transmitted – “on the video wall, we can see where the swap bodies are on the road or parked. This enables us to quickly direct the swap body in the right direction – thus avoiding empty journeys or extra rounds and ensuring optimum utilisation of the lorry fleet.

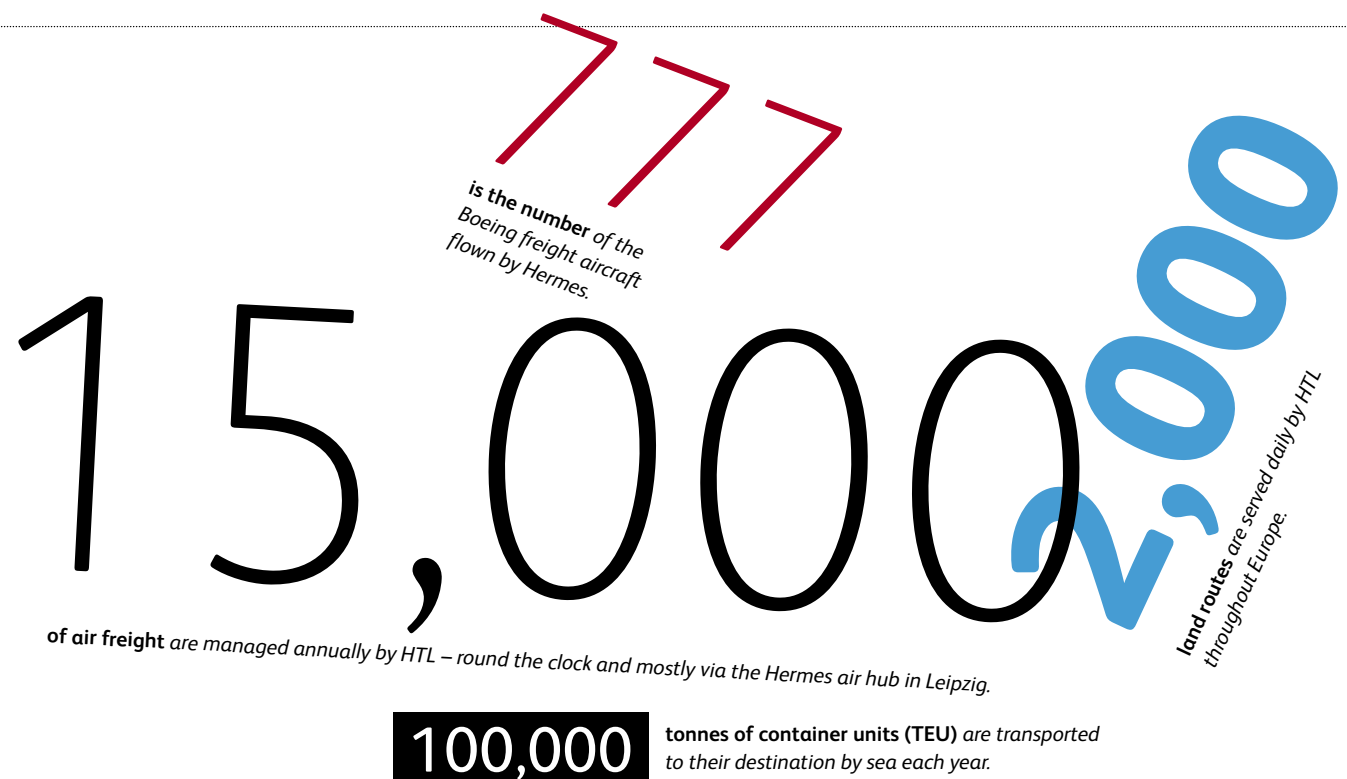
The video wall will soon be used to monitor semi-trailers. Unlike swap bodies, they don’t have any supporting legs, are larger and often covered in tarpaulin, enabling them to be loaded from the side, which means that they are more suited to larger products. They are often used on a “just-in-time” basis, e.g. when food markets have to be supplied quickly or when deliveries are made to the automotive industry. The goods are placed on pallets; this does take up some of the storage space, but it means that the trailers can be quickly unloaded using fork-lift trucks.

Trailers are particularly important for European business, and this is why HTL is investing heavily in this equipment. Not only is optimisation important but flexibly meeting customers’ needs is too. The profit margins in the sector are low – this not a complaint but simply down to competition. “Business is decided on the third digit after the decimal point”, says Rausch.

Economise yes. But not at the cost of the environment

Savings should, must be made – but not at the cost of the environment, please. Sustainability is an important concern for Hermes, and HTL is making its contribution. A major aim with its transport operations is to reduce CO₂ emissions. Effective CO₂ management is becoming increasingly important for the transport sector, HTL has developed a new procedure together with a partner which accurately calculates and breaks down all pollutant emissions arising from its transport operations. The data is automatically indicated to HTL’s customers on each invoice, and HTL will on request give advice on how to manage and reduce CO₂ emissions.

Not only do customers like to receive this data, they increasingly expect it. HTL has therefore developed a platform on the internet in close cooperation with its sister companies Hermes-OTTO International and Hermes Fulfilment. At the click of a mouse, suppliers, customers and service providers can track the position of goods in the production and supply chain – including right up when the freight lands at Leipzig airport. This is where HTL operates a so-called air hub, where the particularly fast and low-CO₂ Boeing 777 freight aircraft take off and land round the clock. From Leipzig the load is transported to its destination by lorry.



“The transport sector is going through changing times”, says Frank Rausch. The market has so far been split up between many small regional operators and the degree of industrialisation has often been low. Now large customers have a growing need for strong logistics partners that offer services on a one-stop-shop basis, are largely automated and standardised and use IT to manage their operations. “HTL is very well placed in these areas”, says Frank Rausch. This means that Hermes can offer what customers like Ikea or Metro urgently need: security of supplies. This does not solely depend on computer-managed transport processes. Above all it depends on people – the lorry drivers.

And there are already too few of them. Around 50,000 professional lorry drivers have retired in recent years and only 4,000 newcomers have taken to the wheel to replace them. The demands placed on drivers are growing, and many are no longer adequately trained. The profession must become more attractive, including financially. Rausch thinks that’s only fair: “It will mean that transport costs rise, but there is no alternative”, he says. “Either for us or our customers”.

HTL wants to find new customers outside Europe, in Brazil, Russia, India and China. The BRIC countries have huge domestic markets – and a poorly developed transport sector. So far HTL has been represented in those

countries via partners, but it might soon become active in its own right. In ten years’ time, HTL wants to have “at least doubled” its turnover “while maintaining profitability”, says Rausch. This is an ambitious target. But one thing is certain: the staff will do their utmost to implement these plans. ■

Hermes Transport Logistics

This company is concerned with international mobility – on land, at sea and in the air. “Whatever you want transported”, its promise goes, “we will carry it safely and quickly to anywhere in the world”. To keep this promise, HTL uses a central network based on customer-integrated and innovative IT systems which enable more than 700,000 orders to be handled – including all customs formalities – punctually and sustainably each year. And anybody who has to deliver “just in time” should use the click2transport.de online portal, where services can be booked up to six hours before departure.