

WHAT DOES 'GLOBAL' MEAN FOR TIME-CRITICAL LOGISTICS?

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In today's digital and interconnected world, we are all operating in a global marketplace. With the right technology and buying power, anyone, virtually anywhere, can buy or sell almost anything.

As both B2B and B2C customers' reliance on technology continues to grow, the global marketplace is evolving to meet changes in demand.

How the global marketplace is evolving

The internet, and other revelations such as mobile technology, bring increased visibility for goods and services and an expectation that these will be available 24/7 365, from anywhere in the world. Through online purchasing, developing countries, who generate products or services at attractive prices, are able to use this platform to join the global supply chain, opening up new routes (or expanding old ones) for air, road and sea transport.

China to Europe is becoming an increasingly significant trade lane. In the automotive world, the rapid emergence of electric-powered or hybrid-engine vehicles will see a surge of imports to Europe from the Far East over the next few years. The safe and secure movement of large, heavy quantities of dangerous goods, mainly lithium-based batteries, will produce challenges for manufacturers and forwarders alike, as the manufacturing origin for these goods will be China and Korea. The China-Europe trade lane is already massive on the world scale, and together with the emerging economy that is China, the quantity and range of products flowing into and out of China will grow exponentially.

We have seen significant improvements in the modes of transport required to carry consignments by air, road or sea. Autonomous vehicles are not yet having a profound impact on how goods are delivered but, in the near future, we expect to see more clearly how these technologies will be

deployed. In the meantime, though, improvements and better visibility of worldwide transportation networks allows producers to rely heavily on just-in-time manufacturing models and lean supply chains, whilst logistics partners have the ability to coordinate deliveries and reduce shipment numbers.

Recent times has also shown a burgeoning 'middle-class' of more affluent consumers exercising their ability to buy goods online. Although the austerity measures of recent years have meant that it doesn't always feel like it, worldwide prosperity has been growing, and reached a record high in 2017. India and China, in particular, have made great gains in the last 10 years and easier access to credit in these territories has further increased consumer buying power.

Together these factors have made the world feel 'smaller', and the ability to source products at a reduced price, but over greater geographical distances, has driven the growth of the logistics market.

What impact has this had?

For consumers, an improved global marketplace means more product choice, with millions of options from around the world at their fingertips. Despite these products physically coming from further away, online ordering has also put increased pressure on sellers for quicker delivery times – a 'we'll get back to you tomorrow' response simply isn't good enough anymore.

For many manufacturers, globalisation opens more opportunities for increasing profits, with developing countries joining the supply chain and generating products and services at attractive prices. With it quite often being cheaper to source a product from further afield and ship it in, this is becoming a very valid option for manufacturers who used to opt for products much closer. However, this





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growth in demand and the inevitable subsequent escalation of prices in the developing world has also led to inflationary prices and, at times, an unseemly rush to find 'low-cost' production centres. For manufacturers, the global marketplace involves an increase in not only purchasing products from across the world, but also delivering their own, causing them to rely more on the support offered by the logistics industry.

An increase in goods ordered online means an increase in the number of products that must be shipped. Rising demand for rapid delivery is already having an impact on 'last mile' requirements and can create supply chain pressure. With more developing countries joining the supply chain and large, emerging markets such as China to Europe maturing, the global supply chain has no choice but to become more robust. Naturally, the level of maturity varies from country to country, and some continents have developed a more sophisticated infrastructure than others, but even as the youngest of the emerging economies invests in their transport links, new markets are rapidly developing. As this occurs, supply chains become ever more complex, particularly for companies that ship goods around the world.

On the whole, the growing global marketplace has been, and will continue to be, beneficial to consumers and manufacturers. Technology, infrastructure and vehicle advancements have opened up the landscape and enabled companies to compete all around the world, tapping into new consumers and suppliers. In the centre of this is the logistics industry - the link between all elements in the global marketplace. As it expands, logistics companies will be at the forefront, continuing to improve supply chains and ensuring they keep up with the growing demand.

Priority Freight and the global marketplace

Priority Freight has invested time and dedication into ensuring their control centres are in key locations to meet clients' needs and are always looking to expand, such as with the [recent Bratislava office opening](#). Accompanied by an

extensive, and growing, network of global agents, Priority Freight is able to demonstrate commitment to worldwide, existing and potential clients and crucially, a detailed understanding of local laws and customs procedures.

We employ a diverse range of multilingual, multicultural staff from over 22 nationalities, speaking 21 languages. This helps us to absorb and share a deeper cultural understanding, whilst also enabling us to predict and satisfy the demands of clients worldwide. Complex supply chains often cross multiple time zones, so having experienced specialists 'on the ground' 24/7, 365 enables us to better manage the time differences and language barriers to ensure that the various components of our clients' supply chains link seamlessly.

We recently created our own consolidation tool, which enables us to identify opportunities to reduce our carbon footprint in Europe by combining loads where possible, whilst maintaining the speed and efficiency required for each individual consignment. We have already seen that combining this with local knowledge and experience is highly attractive to many of our environmentally-aware, international customers, and expect it to attract more over the next 12 months.

The more complex a client's needs, the more important clear processes and total reliability become. Our head office has recently achieved the updated ISO 9001 and ISO 14001 accreditations, and these standards are upheld across the group. [AEO recognition](#) also helps to assure our customers of a swift, efficient service, and our credentials are further reinforced by being part of the International Air Transport Association (IATA), members of International Federation of Freight Forwarders Association (FIATA) and a member of the WCA – the world's largest network of independent freight forwarders.

To allow us to continue to meet our growing client base's needs, and offer a market-leading service, we are exploring emerging markets and working with our clients to understand their growth needs.

Written by Andrew Austin

Andrew Austin, Group Operations Director at Priority Freight, has spent his entire career in the logistics industry. With over three decades of experience in senior management and board level positions across diverse, international locations, he is responsible for leading and developing the operations mission within the company.



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