

JOURNAL

Information /// News /// Impressions



Processes and Controls

Far beyond the Scope of the average Logistics Supplier

Border Control

New Crisis in Logistics

Specialisation

A Step Change in Logistics Management



Editorial



Dear Readers of the UnitCargo Journal,

Few outside the logistics business realise just how complex it is, knitting together producers, distributors and retailers in a complex pattern held together by local laws, international agreements and business standards. Truck transport is at the cutting edge of this process, always evolving, constantly seeking new ideas for greater efficiency and cost reductions in the face of uncontrollable external influences. On the plus side, we have seen reductions in the price of fuel, a major and easily identifiable input cost, yet on the minus we see massive disruptions caused by heightened border controls. Though hard to quantify on an individual basis the impact on the broader economy is massive and yet to be realised by the public. Running successful business in such an environment is certainly not easy and to expand it is even more of a challenge.

Of course business success can be measured in many ways. Revenue growth is one, but in a volatile market with fluctuating exchange rates and ever changing input costs it may not show the full picture. At UnitCargo we judge our success by the number of tracking (units of transport) we handle. Here I can report that again we have exceeded our growth estimates with a 10% increase on last year's performance. This is a testament not only to the application of our processes, but to the passion which our team brings to the business and it is the combination of these two elements which, I feel, have been major contributors to our success. Process alone is not enough. It has to be combined with a passion to both strive for perfection in day to day operations and to reach beyond the daily task, bringing imagination and forward thinking to the whole business process. It was a passion to succeed which pushed me to run my own business and it is gratifying to see the same passion for success in our team

Mag. Davor Sertic

PROCESSES AND CONTROLS

Far beyond the scope of the average logistics supplier.

ISO Inspector Comments:

ISO Update

In 2016 UnitCargo began with the inspection for the renewal of ISO 9001 v 2008. Of course in the five years since we implemented the ISO standard many things have changed, new office opening and extension of our corridor to mention but two, so I was naturally anxious that our processes had been able to cope with the changes successfully. In the event I need not have worried. The surveillance inspection was concluded satisfactorily with the inspector commenting that not only were our processes and controls up to standard but that our ideas and measuring standards were those usually associated with much larger companies. Of course the standards and processes which we apply will, I am sure, ultimately be standard through the industry but for now I am happy that we are one step ahead.

QPI Initiative

Currently we are extending the role out of our quality performance indicators. This reporting initiative was first introduced in 2015 and has proved to be very popular with our clients. It is our intention that monthly QPI data will be provided to all who require it.

Specialisation, a step change

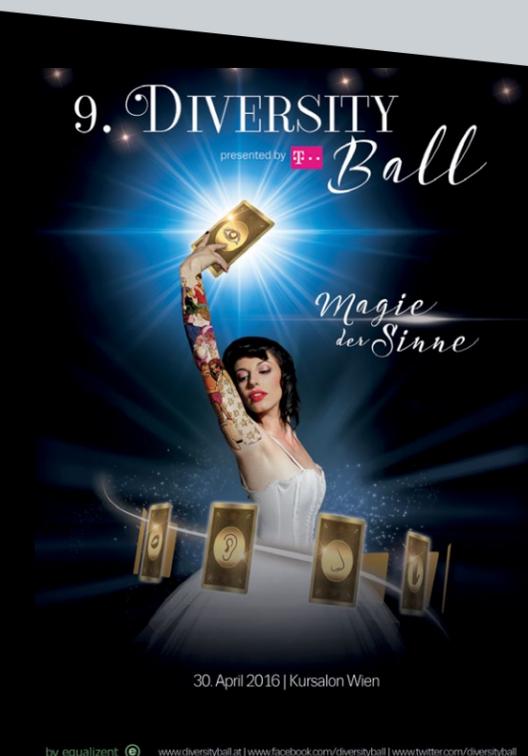
Many changes in business are incremental, step by step improvements which can be implemented. My work as chairman of „Transport und Verkehr in der Wirtschaftskammer Wien“ helps me keep my finger on the pulse of change. This view point leads me to suspect that we are now at the cusp of a major change to the logistics industry. Before the mass implementation of IT and the internet, 4PL suppliers were a natural choice. Their integrated solutions provided faultless door to door services. But the IT revolution has enabled the implementation of previously expensive IT solutions to specialist niche companies. Put simply, they can be effectively integrated into the supply chain without the massive cost overhead of the traditional suppliers. This is beginning to have a huge impact, not only on costs but on communications efficiency, particularly in the truck sector (by far the biggest part of the European logistics scene).

Overall then 2016 is set to be a year of challenges and change many of which are yet to be revealed. Yet whatever the challenge I am confident that the UnitCargo team is fit and ready to face them and continue to bring the benefits of change to customers and suppliers alike.

Mag. Davor Sertic

DAVOR SERTIC DIVERSITY BALL AMBASSADOR

The world famous "Vienna Ball Season" brings a sparkle to social life and with over 450 events annually, there is a chance for everybody to participate. One such event is the Diversity Ball, organised to celebrate the wide range of cultures, nationalities and orientations of which this truly international city is composed. This year our CEO Davor Sertic is honoured with the title Ambassador of the Diversity Ball in recognition of both the company's commitment to diversity in recruitment and to his personal advocacy of the cause.





ONE STEP AHEAD THE KEY TO QUALITY MANAGEMENT

Quality Manager Ines Kiszala writes about her work in UnitCargo.

Ines Kiszala



Ines Kiszala speaks about her work at UnitCargo.

I finished my studies in Logistics and Transport management at Fachhochschule des bfi Wien in 2014. During this time I had an internship at "Hafen Wien" which gave me my first work experience in process+quality management. My first job after university was in real estate but my experience at Hafen Wien was enough to convince me that logistics and process/quality management best suited me and so one year ago I joined UnitCargo. I'm now responsible for tender management and quality management which, in UnitCargo, integrates quality, environmental, process and HR management in an integrated system.

It was originally developed and implemented internally in 2011 as a precursor to the implementation of ISO 9001:2008, a process which culminated in certification in 2012. EMAS certification was also gained at that time. I think that what differentiates our quality management from our competitors is that it is constantly re-evaluated and subject to continuous improvement. This process really suits my temperament. Our company aim is to be **one step ahead** of our competitors. As an example, we were the first Austrian freight forwarding company to be awarded EMAS certification for conformity to the highest environmental standards.

We have three main aims for 2016. The first will be to upgrade our ISO certification to the latest ISO 9001:2015 standard. Secondly we will implement SQAS certification within UnitCargo. Finally, we aim to switch our whole quality management system to English, so that we are operating as a truly international company.

Ultimately we will have a completely integrated quality management system for the whole UnitCargo group. As at the moment only our headquarters in Vienna is ISO 9001:2008 and EMAS certified. This is of the utmost importance of course since key management functions, risk assessment, IT, banking and insurance are managed here.

So my first year at UnitCargo has been both busy and fulfilling and I think 2016 will bring more of the same.

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FLUCTUATING INPUT COSTS

Win some, loose some for the European Freight Industry

The crash of crude oil prices has finally impacted on the price at the pump, bringing significant benefits to the truck based logistics. Yet at the same time, the impact of heightened border controls has yet to show in the cost base of the industry. Nationally, daily charges on the overall economy are being estimated on a country by country basis with Germany warned that intensive controls of internal European borders could lead to substantial costs. Chief executive of the German Chamber of Commerce (DIHK), Martin Wansleben, told the Rheinische Post that "congestion, waiting times and additional bureaucracy" could quickly lead to the German economy haemorrhaging €10 billion per year.



Oil Price Fluctuation past 10 years

Even in much smaller Austria, the costs to the economy could reach €8 million per day according to WKO. With inevitable holdups, the working hours directive for drivers could add massively to transit delays. How this will be dealt with on a cost basis for customers has yet to be worked out but it is clear that unless some formula similar to that applied to fuel costs is implemented, the consequences for just in time production could be catastrophic. Control of the situation requires very close contact between customer and truck, an unfamiliar situation in many cases where intermediate subcontractors place significant hurdles to the communications process.

The "One Step Ahead" Initiative
 Identifying changes in the logistics industry and reacting before our competitors is a key part of our business philosophy and something which is always in our minds. There have been many developments during the time we have been in business, some beyond the control of the enterprise, government regulations for example, others which enable the possibility of infrastructural change. Identifying trends with the potential for a lasting impact can bring serious benefits. Currently we see a move by producers towards direct contact with truck transport companies and away from the chain of sub contractors which has dominated the industry until now. Similarly, the complexity of routes beyond the EU has given rise to a growth of specialist such a UnitCargo, focusing on ensuring the safe transit of goods to more distant markets.



TV interview with Davor Sertic on the border delays cost issue



Border jams add to operating costs



A SECOND WIN EMPLOYEE OF THE YEAR

A second win for Traffic Manager Lumturi Rushiti in the annual employee championship completion.

Lumturi Rushiti (Lumi to his friends)



Lumi was born and raised in Gostivar, Macedonia but at 15 moved with his family to Vienna where he concluded his studies at the HAS/HAK BFI. Following five year of work experience in hospitality management he joined UnitCargo as a trainee, working in the newly established groupage department.

Following the successful completion of Unitcargo Academy exams he became a traffic manager in the Groupage department and after 18 months he transferred to the full truck department on the Scandinavia – Balkans route becoming leader of the Scandinavian Division in 2015.

Lumi has a passion for travel, exploring new lands and cultures, an interest which when combined with his ability in five languages perfectly first him for his work at UnitCargo.

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The competition, between the Traffic Managers of the Austrian, Romanian and Slovakian offices, is based on points awarded weekly in terms of key performance indicators such as traffic volumes, quality (as measured by the in house Quality Performance Indicators scale) and return on capital as well as communications. For the second year in succession Lumturi Rushiti was victorious, gaining top points in all categories. Apart from the title, his victory also means a bonus payment for his efforts.

Tanja Malachova

Head of Human Resources UnitCargo Group



Head of HR UnitCargo Group Tanja Malachova, who is responsible for this project comments “*With this championship we have created a motivational environment via healthy competitiveness which uplifts the UC team spirit and ensures that all activities are results driven*”.

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SLOVAKIAN OFFICE EMPLOYEE OF THE YEAR

Denisa Ocskaiova



The title for 2015 went to Denisa Ocskaiova, the traffic manager responsible for groupage traffic originating in Benelux, Germany and Italy with destinations in the central region Austria, Czech Republic, Slovakia and Hungary. She joined UnitCargo after competing her theoretical studies focused on operations management and forwarding at the University of Economics in Bratislava and a short period in the USA where she was able to improve her

English. Her dream is to make an extend visit to India and Sri Lanka but is currently fully occupied with her work at UnitCargo.

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