

Information Technology



Navia Logistics seeks growth via new software platform

Daily Cargo News speaks with Navia's chief executive and founder Simon Borg and chief information officer Brendan Borg about the 'Situation Room' concept and their aim of becoming Australia's first true digital forwarder

What is the Situation Room?

Navia's Situation Room is a web-based business intelligence application that presents real-time information to assist our clients make more informed decisions regarding their own supply chain.

As a freight forwarder, we have access to every part of the supply chain on any freight movement.

When we developed this product, we felt we had all the stakeholder interactions to expose the whole truth of the supply chain.

We wanted to arm our clients with this truth and help their staff manage costs, transit times and customer service in their own unique control tower.

In today's competitive marketplace our clients need to gather their forces. With Navia's Situation Room they are ready for battle.

How was the concept developed?

We are tinkerers at heart, or as we like to call ourselves 'freight geeks'. The more we developed, the more we learnt and the more resources we added to the cause. Conceptually we wanted to empower our customers to think about their total supply chain rather than just the 'goods in motion' part. As we gain better insight into our own data set we understood the power of the information flow in our own supply chain. By having the ability to capture all of it and present it to our customers in a meaningful, actionable and empowering way, this concept gave birth to 'The Situation Room'. Just as you would imagine a 'Situation Room' to be, it is the

central point of truth for our customers supply chain. It is very much a collaborative tool.

Was there anything comparable offered in (a) Australia or (b) overseas?

There are iterations of different digital supply chain systems however a lot of focus has been placed into just making the process of engaging with a freight forwarder simpler. Our concept is that we should absolutely be easy to engage with, but more importantly we need to answer 'why', 'what' and 'how' statements for our customers all in the one place. We approach the supply chain challenge holistically. Our philosophy is that for every second we uncover in time for our customers, it adds

value to their business. If we can shorten inventory on hand then times by five days what does this mean for cash flow, if we can work towards a 95/5 DIFOT rate what does this mean for resource usage. So to date no there is nothing comparable on the market here or overseas that we are aware of.

When did Navia Logistics decide it needed to move into the space of offering a digitised option for clients?

For us it was a very natural progression, we secured a new contract that was involved in the small package space. We quickly learnt that these movements were more about managing the data than it was about just simply moving freight. We also got exposed to the

technology that was starting to come through in the courier space. From here we started applying technological solutions to the volume challenge. So realistically our first step was developing a technology based solution for our own business, using the lessons learnt and benefits seen to develop a solution for our customers with similar outcomes.

Why was such a move seen as desirable?

As an Australian-owned business we compete with much larger global companies. I wouldn't use the word 'desirable' as much as I would think the move was necessary to continue our growth story and to remain relevant. Our stated aim is to become Australia's first true digital forwarder, we

benchmark against globally recognised players in this space and we know that the path we are on is what a large part of the market is looking for. This was proven with us winning two major contracts in 2017 purely based on our technology capabilities. We were the only independently owned freight provider invited to these tenders and in the words of both now customers, we were 'miles in front'.

I understand it is early days, but are you able to explain some of the benefits of this project to date?

The biggest benefit right now is that we have a very compelling customer offering that has enabled us to move into a space previously reserved for much larger organisations. From the feedback we have received we are years ahead of the majority of the market in terms of technology capability. Our intent is to continue our focus on R&D to maintain this edge.... We have some very exciting developments in our pipeline.

Has the project come at any kind of a cost?

Yes absolutely it has, whilst we are a 15-year-old business we run our tech team as if it's a start up. This requires significant financial investment and it takes time to build the type of team that has the capability to execute an idea to reality.

How do you see this concept growing?

That would be a trade secret! What I will say is that we will continue to push and not limit our possibilities by convention thinking of what a freight forwarder should be.



Navios Logistics' Chris Nash (left) and Brendan Borg. Photo: David Sexton

Will logistics tackle the challenges it's facing?

Molly Connell*

THE logistics industry plays an important role in the Australian economy. According to ACIL Allen, in 2013 the sector accounted for 8.6% of the nation's GDP.

Countless other industries rely on it, 1% improve-

ment in the efficiency of this industry can generate \$2 billion of gains to the economy each year. And there is definitely a need for improvement. Along with the global increase in shipping demand, both Australian import and export have increased in the past

10 years and the Australian parcel market is estimated to grow 9 to 12% from 2017 to 2021. The only way the logistics service providers can keep up with this growth is by implementing innovative automated, digital solutions.

The automation and digitalization of the industry opens up unprecedented opportunities to enter new markets and restructure existing business models and this is what the retailer giant, Amazon and the most valuable startup in the world, Uber are taking advantage of.

Uberization of delivery solutions

One of the key trends in 2017 was the disappearance of brokers, companies are working on directly connecting clients with service providers. UberRush is built on the same concept.

In some cities in the U.S., through the app shippers can connect with carriers

who are freelance drivers. Amazon is also contracting private carriers in its Amazon Flex program to deliver its packages to customers. Last mile delivery can make up 30% of shipping costs, so reducing costs in this sector can make a significant difference.

This model doesn't only exist in last mile delivery, though. Uber Freight, the company's app for trucking, has received a lot of media attention. Not only are they applying their successful ride-hailing model to freight forwarding but they have been testing autonomous trucks and cars in Arizona until recently, when one of their driverless cars caused a fatal accident after which the testing was paused.

Startups around the world have been trying to improve the trucking sector's efficiency, the Australian app Channel 40 among them, and are proving that there's a remedy for the shortfalls of current indus-

try practices and existing load shifting sites.

The rise of networked logistics

With sufficient data, all sector of logistics can be improved. Nowadays tires can be equipped with IoT sensors to improve gas mileage and to prevent accidents by tire blow-outs and groceries can be ordered by scanning the empty containers at home.

Amazon recently bought Ring, the smart doorbell company to install systems in its customers' houses that lets the delivery person leave the packages in a safe place but still give the owners control through a camera system. The retailer is also known for its chaotic storage which is based on a complex barcode system that allows items to be stored in a random order.

The sign outside the first Australian Amazon warehouse say "Welcome Ama-

zonians. It's still day one! Are you ready to make a difference?" and Amazon is most definitely planning on making a difference. Its systems which make use of data collection and smart solutions allow never-before-seen solutions to issues which were making the logistics industry so cumbersome.

Where will all this lead? Can an online retailer and a ride-hailing app really have a major impact on such a major industry's development?

Take a look at the following infographic which summarizes what Amazon and Uber have been up to in the logistics sector, their expansion is definitely worth paying attention to.

* Molly Connell covers topics on industrial machinery, technology, and business trends. She is also responsible for Online Marketing at TradeMachines.com, a Berlin-based search engine of used industrial machinery

