Middle East
Emerging region with great potential

Dubai Logistics City
Among the desert pioneers
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Dear Readers

At present, our thoughts and actions are determined by the economic crisis, whose effects, albeit to differing degrees, are making themselves felt all round the globe. The first symptoms are now becoming apparent even in the region Middle East and Central Asia, which successfully withstood the turbulence of the past year and are at the focus of this issue of our World Magazine.

Today it is still difficult to forecast when the situation will ease. I have no doubt that economic growth will return. Globalisation, which has created high levels of economic interdependence and an internationalisation of production, can no longer be reversed. However the price of oil develops, we can expect the world’s economies to become even more closely intermeshed and the international division of labour to increase.

In difficult times it is all the more important to operate in a sustainable manner and to consistently pursue the objectives one has set. For that reason the Kuehne + Nagel Group will continue to invest in the purposeful expansion of its network and its range of services. Continued, sustainable growth will also be the main focus of attention for Karl Gernandt and Reinhard Lange, who since the beginning of this year have respectively assumed the functions of Delegate of the Board of Directors and Chairman of the Board of Management and CEO (see interview page 16).

Our customers can rest assured that both now and in future, Kuehne + Nagel will maintain the high quality standard of its integrated logistics solutions, some examples of which you can read about in this magazine.

I wish you an interesting read.

Your Klaus-Michael Kuehne
Chairman of the Board of Directors
The organisation in the Middle East, Central Asia and Turkey
Kuehne + Nagel employs roughly 1,200 people in 46 locations in the Middle East, Central Asia and Turkey. Based on stable growth in most of the 17 countries, the region has achieved an impressive development over the past few years. In view of its firmly established local roots, for the future too the Company sees attractive business potentials for its integrated transport and logistics solutions in various markets and customer sectors.
Growing demand for contract logistics solutions

Werner Kleymann, Regional Manager for the Middle East, Central Asia and Turkey, on the chances and challenges in the various markets of this emerging region

Mr. Kleymann, you are in charge of a region which includes some widely differing countries. Is there any way one can sum up the economic development of this heterogeneous region in just a few words? Despite their many differences the countries of the region quite definitely share common features. Over the past few years almost all of them have achieved stable, above-average growth and steadily diversified their economies. Many of these states are building up a strong industrial and service sector, while the oil- and gas-producing countries are making enormous investments in their infrastructure. This, together with a progressive liberalisation in many countries of the region, is opening up good business opportunities for us.

Which countries are showing the most dynamic growth? The global financial crisis and the recent downward trends in world economic growth are naturally having an impact in the Middle East and Central Asia, too. A number of countries have postponed the implementation of major investment projects such as new refineries or the creation of industrial cities. At present it is difficult to make forecasts, but we believe that in particular Saudi Arabia, the United Arab Emirates and Turkey will continue to play an important role in future.

What is the strategic importance of your region for the Kuehne + Nagel Group? Kuehne + Nagel has a long history of representation in numerous locations in the region. It has a firmly established market position in many countries, and can thus offer comprehensive, integrated logistics solutions to its global customers. We traditionally have a strong local customer base, but can also count a growing number of our big globally operating customers among our long-term partners in this region. Our national companies are increasingly generating strategic new businesses and thus making an important and dependable contribution to the profitability of the whole Group.
In what industries are your customers active, and in which fields do you see further potential?

That differs from country to country; each one must be viewed separately. The region as a whole is a strong import market for all kinds of goods. The list is headed by products of the automotive, mechanical engineering and construction industries, furniture, fast-moving consumer goods and high-tech products. Furthermore, the United Arab Emirates have developed into a central distribution hub for the whole of the Middle East, and also as an interface for the growing trade between Asia and Africa. In Egypt (textiles, fresh produce) and Turkey (automotive, domestic appliances and entertainment electronics, textiles) exports are an important element but are naturally dependent on the development of the world economy. Project transport and project logistics is another important line of business for us, but this is not centred on any specific country: Today we may be handling a contract in Iraq or Kazakhstan, while tomorrow a major project in Saudi Arabia may be on the books.

What new developments can be expected in your region in the near future?

Our priority objectives include the start-up and expansion of contract logistics activities in Saudi Arabia, Egypt and Kazakhstan. We are working on the establishment of a new national company in Syria, endeavouring to strengthen our presence in Iraq, and engaged in talks with our agent in Oman on the establishment of a joint venture in that country. Besides aiming to further increase our market shares in sea- and airfreight, we have resolved to further expand our good positions in project forwarding, logistics services for the oil and gas industry and aerospace and aviation logistics.
The Turkish republic has developed impressively over the past ten years. This country with a population of 71 million (of whom two fifths are aged under 18) has achieved an annual growth in its gross domestic product of between 5 and 8 percent since 2002. Despite this dynamic growth, there are still major economic differences between Turkey's industrialised west with its big cities and modern infrastructure and the mainly agricultural east of the country. That is why Kuehne + Nagel’s operations are also concentrated mainly in the industrial centres around Izmir, Bursa, Ankara and Mersin and, of course, on the Bosporus. Istanbul is by far the most industrially developed urban region as a result of its direct land link with Europe, its excellent air connections and its access directly to the Black Sea and via Marmara to the Mediterranean. Other transport infrastructure projects in the city which are in the planning or construction phase include a third airport as well as a third road bridge and a railway and a road tunnel across the Bosporus.

The largest share of Kuehne + Nagel’s sales revenue in Turkey is earned in the field of seafreight, where the Company is by far the biggest international transport service provider and number three among the local players. The biggest freight volumes are generated by transport operations within Europe and imports from the Far East. The second pillar of Kuehne + Nagel’s business in Turkey are its airfreight services, which operate mainly through the Istanbul airport with its excellent network connections. As in seafreight, imports from the Far East account for the highest tonnages. In the airfreight export field, the Company’s target for the current year is to improve its market position from sixth to fifth place.

Some 1,500 groupage carriers with an estimated fleet of 42,000 trucks are operating in overland transport, the oldest and still the most important transport sector in Turkey. In this connection a key role is played by the routes to and from Germany, the country’s biggest trading partner. The most important

Logistics potential between two continents

Turkey extends for more than 1,600 kilometres from east to west. Bordering on seven other countries and with 72,000 km of coastline, it forms a central hub between Europe and Asia. As a result of this special position and its dynamic economy, the country is rapidly emerging as an important market for Kuehne + Nagel.
export goods carried by land are textiles, since as a result of their flexibility and shorter distances to West European markets, the Turkish producers have no difficulty in holding their own against Indian and Chinese competition. With roughly 5,000 import and export truck movements, Kuehne + Nagel is well positioned in the overland transport segment. The Company also sees attractive prospects in intermodal transport by rail, which is still in an early stage of development in Turkey but is likely to grow in importance in future, in no small part because of ecological considerations.

Kuehne + Nagel’s biggest logistics centre, with a warehouse and handling area of 25,000 sqm, is located in the Asian part of Istanbul. It is from here that the Company operates its contract logistics services for large international customers such as Carrefour (on which we reported in the last World Magazine) or well-known producers of cosmetics, toys or shoes. With its reliable service quality and modern IT solutions, Kuehne + Nagel sees a large further potential in the Turkish market for warehousing and distribution services. The latest success to be scored is a comprehensive contract, which will become operative in January 2009, with one of the world’s leading producers of adhesive products and system solutions for industry, trade and consumers.

Another, smaller logistics warehouse with an area of 6,000 sqm is located in the European part of Istanbul, from where contract logistics services are also provided for large international customers. For one of the leading producers of laptops and printers, equipment and spare parts are imported from all regions of the world, cleared with customs and delivered to dealers in the greater Istanbul region. From here Kuehne + Nagel also distributes the products of a world-renowned producer of lamps and lighting systems throughout Turkey.

Finally, two other special fields contribute to the success of Kuehne + Nagel. The Company is well positioned in the Turkish market for heavy-lift transport to Iraq. In the field of trade fair logistics, Kuehne + Nagel handles the shipping of exhibition material to all parts of the world, including the erection of stands at the site of the event.

Kuehne + Nagel employs a total of 270 people in six locations in Turkey. The headquarters of the Turkish national company is located in Ikitelli in the European part of Istanbul, only a short distance from Atatürk airport. The same building also houses Kuehne + Nagel’s regional head office for the Middle East, which is responsible for the overall management of 17 national companies and 42 branches.
Ahead by a nose among the desert pioneers

Kuehne + Nagel was one of the first international logistics companies to sign a contract for the establishment of a regional hub in the Dubai Logistics City (DLC) in 2006. After the successful completion of the first construction phase, the multi-functional logistics centre will start operation at the beginning of 2009 - as one of the first on the spot and as further evidence of the Company’s dynamic strength and pioneering spirit.

Its immediate surroundings still consist mainly of sand and provisional access roads, but the first construction phase of Kuehne + Nagel’s new logistics centre (on which we reported in previous issues of World Magazine) was completed on schedule at the end of the year. 17,000 sqm of the facility, which will have a final total area of 30,000 sqm, are thus available to complement the existing logistics terminal in the Jebel Ali free trade zone.

As a regional transport hub, Dubai is ideally situated to link the flows of goods between the countries of the Middle East and the rest of the world. That is why this location is of strategic importance for Kuehne + Nagel’s global transport and logistics network with regard to both sea- and airfreight traffic and for customer solutions in the field of contract logistics. As a result of its proximity to the main markets, the new logistics centre will facilitate the distribution of goods, in particular to the countries of the region and to Africa and Central Asia.

The building is equipped with the latest warehousing technology and can be flexibly used for Kuehne + Nagel’s complete logistics services portfolio, thus enabling many customer orders from all major industries to be handled simultaneously. In addition to offices and a gen-
eral storage area, it also has 5,000 sqm of temperature- and humidity-controlled storage capacity, 26 truck loading ramps and a handling platform with a width of more than ten metres. It is planned to obtain certification for the installation in accordance with ISO 9001:2000 and TAPA B. It has state-of-the-art security systems and is under round-the-clock video surveillance.

After the completion of tidying-up work on the surroundings of the building and the finishing touches to its exterior, the logistics centre will start operations at the beginning of 2009. In a later construction phase the available warehouse space can be doubled and eleven more truck loading ramps constructed – by which time the whole of the Dubai Logistics City will have taken shape.

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“...In order to be first, one has to clear hurdles...”

Gary Black, Managing Director of Kuehne + Nagel UAE, can look back upon an exciting and also challenging construction period: “Only two years ago, when our Chairman Klaus-Michael Kuehne and his wife inspected the site, there was nothing here but desert as far as the eye could see - and today we can already move in to the building. We set ourselves the aim of being one of the first logistics companies to establish a foothold in the DLC, and we have now achieved this objective. But on a pioneering path there are always hurdles to clear. Despite the impressive speed with which the government is pressing ahead with the giant Dubai Logistics City project, there have naturally been a few teething troubles here and there. For instance, the interfaces between the authorities, some of which were newly created, did not at first operate smoothly and caused delays in the granting of various permits. Our experienced construction managers nevertheless succeeded in completing the project on time and keeping within the budget. Under the prevailing conditions these is a very commendable achievement. For here, with outdoor temperatures of 50°C, even what are normally quite pleasant events like our ground-breaking ceremony in September 2007 can turn out to be a very sweaty business.”
In 2004, a socially committed group of students at the WHU Otto Beisheim School of Management in Vallendar, Germany, founded the aid association "WHU-Studenten helfen e.V.", which over the past few years has planned and implemented various projects in a number of countries. From the very beginning, Kuehne + Nagel has supported these valuable initiatives.

In 2008, the founding members of the organisation, all of whom graduated from WHU in the summer of that year, successfully completed a further project, namely the donation of four used ambulances to a hospital for women and children in Herat in Afghanistan. The vehicles were purchased with money collected by the organisation in Germany and then driven by the students themselves on a 20-day journey through Austria, Hungary, Romania, Bulgaria, Turkey and Iran to the Afghan border.

Contact with the Afghan hospital was already established in 2005 when, in an earlier project, the association organised the transport of aid goods including pharmaceutical products, medical equipment and hospital beds to Herat. The then transport of the three 40-foot containers had been done and sponsored by Kuehne + Nagel. The most recent initiative was also minutely planned and left nothing to chance: from the fund-raising campaign to the purchase of the used ambulances and the detailed planning of the route and journey.

In the preparation and implementation of the project the students received active support from Kuehne + Nagel’s regional organisations and its national companies in Turkey and Iran, notably in the handling of customs formalities and in route planning. Local Kuehne + Nagel staff gave assistance in situations that would have been difficult to resolve without expert help and a knowledge of the relevant countries.

Thanks to the careful planning, apart from minor repairs to the vehicles and long waits at frontiers, the delivery of the ambulances went off without a hitch and was an unforgettable adventure for all ten students. Because of the security situation in Afghanistan it was not possible for the dedicated team to drive the convoy all the way to Herat as originally planned. The vehicles were therefore taken over at the border between Iran and Afghanistan by a group of staff from the hospital, who had travelled there for the purpose. The enormous gratitude expressed by the delegation showed the German students that they had reached their destination. Now, the hospital in Herat no longer has to transport its patients on donkeys and can provide on-the-spot medical aid more quickly in the event of accidents.
To strengthen its market position in the heavy-lift field, last year Kuehne + Nagel Saudi Arabia opened two new project transport departments in Jeddah and Dammam. At the very start of their operations they were able to secure a large and attractive contract: the complete project logistics for the expansion of the Rabigh power station 160 km to the north of Jeddah.

The contract provides for the transport of a total of 62,000 tonnes of cargo to Saudi Arabia from production plants in China, Europe, India, Japan, Korea, Singapore and the USA. Besides various auxiliary equipment, by March 2009 16 turbines each weighing 130 tonnes must be delivered by sea from the USA, as well as 16 generators weighing 150 tonnes from Europe. The turbines are being transported directly from Pennsylvania to Saudi Arabia by multi-purpose roll-on-roll-off liner and heavy lift vessels. The European-made generators are being consolidated in an interim storage facility near Antwerp and shipped by barge to Rotterdam. To offer the customer a lower-cost alternative to transport by heavy-lift freighter, Kuehne + Nagel is forwarding the generators from there to Jeddah by liner containerships of the Maersk shipping company. Because container ships do not have lifting gear of their own, the generators must be loaded and offloaded by floating crane. In this way, two of these heavyweight items, mounted on four 40-foot pallets, reach their port of destination every week. The generators complete the final leg of their three-week journey on heavy-duty trailers, to be unloaded in Rabigh just in time for installation in line with the construction schedule.

From 1976, Kuehne + Nagel operated in Saudi Arabia under a 50:50 joint venture with the leading trading company E.A. Juffali & Bros. Under the name of Orient Transport Company, the jointly owned firm developed steadily until 2007, when Kuehne + Nagel had the opportunity to acquire all its shares. Since then the national company has been registered as Kuehne + Nagel Ltd.

At the beginning of this year, the then National Manager Gerd Ramming took his well-earned retirement after more than 34 years in the service of Kuehne + Nagel. In his view, the establishment of a 100 percent-owned subsidiary brings "substantial strategic and operational advantages. Local customers can now benefit more directly and from a wider range of Kuehne + Nagel’s globally standardised and IT-based logistics services.” His successor Rafi Omar also sees major advantages in the new legal form of the Company, “Thanks to our professional management team on the spot, it will now be easier to implement our ambitious development and investment plans in the kingdom from the operational and human resources point of view.”

The new national company has a staff of 80 and operates two branches in Riyadh and Dammam in addition to its head office in Jeddah. Kuehne + Nagel has a well-established position in the Saudi Arabian market for sea- and airfreight. The company sees further potential, on whose development it plans to concentrate in future, in logistics offerings to the oil and gas industry and the contract logistics field.

From 1976, Kuehne + Nagel has been active in Saudi Arabia for more than thirty years. A short time ago the Group became the first global logistics provider to have a wholly-owned subsidiary in this country.

Own subsidiary in Saudi Arabia

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Heated exchanges about cool logistics

With the aim of encouraging professional discussion between logistics managers on the service provider and the customer side, in November 2008 Kuehne + Nagel organised a well-attended workshop in Cairo. At the event, which was organised jointly together with the insurer AON and the reefer container producer ThermoKing, 50 representatives of Egyptian export customers engaged in an animated discussion with the experts on the topic of “Risk and Liability Questions in Reefer Transport”. Kuehne + Nagel staff also work in-house with their customers. These so-called in-plants coordinate and oversee the supply chains on-site and ensure process efficiency, network optimisation and the maintenance of high quality standards. The construction of a state-of-the-art reefer logistics facility, which will also serve as a distribution centre for the supply of local markets, is planned for the near future and will be a major step towards leadership in the reefer logistics market in Egypt.

In response to the growing demand, Kuehne + Nagel has now built up a team of specialists for reefer logistics in Egypt. Integrated network planning and IT solutions are tailored to meet the needs of individual customers. As part of the lead logistics offering, Kuehne + Nagel staff also work in-house with their customers. These so-called in-plants coordinate and oversee the supply chains on-site and ensure process efficiency, network optimisation and the maintenance of high quality standards. The construction of a state-of-the-art reefer logistics facility, which will also serve as a distribution centre for the supply of local markets, is planned for the near future and will be a major step towards leadership in the reefer logistics market in Egypt.

Crisp and fresh to the market
Reefer logistics for fruit and vegetables from Egypt

After having steadily increased their share of gross domestic product to 18 percent over the past few years, agricultural products are now counted among Egypt’s most important exports. As a supplier of fruit and vegetables mainly to Europe, Russia and the Middle East, the country on the Nile is now one of the biggest producers in the region. What began with a few sporadic shipments in 2003 has now developed into a major business and has made Kuehne + Nagel into one of the leading local providers of refrigerated transport services. The Egyptian national company forwarded roughly 7,000 TEU of fresh goods by sea last year, and its airfreight service for perishable goods, which was introduced in 2007, is now firmly established in the market.
"Airlift" against port congestion

In the event of ports being closed or blocked, in Egypt Kuehne + Nagel helps out its customers with ad hoc airfreight charters

At the beginning of 2008, Kuehne + Nagel Egypt opened an office in Port Said which is concerned mainly with local customs clearance in the ports of Damietta, Suez and Port Said. This new branch has now established itself well in the Egyptian market and is playing an increasingly important role there. Besides import and export activities, which make up the bulk of its operations, the office also has an important function in the organisation of ad hoc airfreight charter flights in the event of port congestion.

The transit port of Port Said is the first or last stop on the shipping route between Europe and the Far East through the Suez Canal, through which today pass roughly 14 percent of the world’s total seafreight. Port Said is therefore frequently used by shipping operators as an emergency port if their ports of destination are congested or closed. In such trying situations, Kuehne + Nagel has given another demonstration of its great flexibility and adopted innovative schemes to get its customers’ cargo to its destination on time. Since October 2007, five major consignments for international corporations with a total weight of 150 tonnes have been freed by airlifts after being caught in a troublesome “port blockade”.

The organisation of such ad hoc charter transport is a difficult and complex task since it involves a large number of parties. Coordination between the shipping company, port customs office, port and inland authorities, road haulage companies, handling agents and airport customs must be arranged at very short notice. In such cases Kuehne + Nagel’s specialists in Port Said and Cairo often succeed in doing the impossible and have strengthened their reputation as problem solvers with this niche product.
Every crisis also brings opportunities

At the beginning of the year there were two changes in important positions at the head of Kuehne + Nagel: Karl Gernandt is the new Delegate of the Board of Directors of Kuehne + Nagel International AG, and Reinhardt Lange has been appointed CEO of the Kuehne + Nagel Group. A brief interview with the two gentlemen.

Karl Gernandt

Karl Gernandt (48), who performs important functions within the scope of responsibilities of Klaus-Michael Kuehne, succeeded him as Delegate of the Board of Directors on January 1, 2009. After his studies in business administration at the University of St. Gallen, he worked for Deutsche Bank from 1988 to 1995 as Assistant to the Spokesman of the Management Board and the Chairman of the Supervisory Board, and as a regional manager for the branches in the northern Ruhr area. From 1996 to 1999 he set his mark on the Financial Institution Group of A.T. Kearney. In 1999, he moved to Holcim (Deutschland) AG as Chairman of the Management Board, and in 2007 he became CEO of the Western Europe region, based in Brussels. Since October 1, 2008 he has been Delegate of the Board of Directors of Kuehne Holding AG and a board member of the Kuehne Foundation.

Mr. Gernandt, how do you see your role as Delegate of the Board of Directors?

Karl Gernandt: It is a very special challenge to be jointly responsible with the CEO for the destinies of Kuehne + Nagel and for the continuation of the highly successful course it has followed in the past. My role will relate primarily to the strategic alignment of the Group, its basic structural organisation and the creation of impulses for value enhancement and profitability. I will perform these tasks in close coordination with the Chairman of the Board of Directors and the CEO in order to ensure optimum management and the smooth implementation of our policies. I know what vigour and strength Kuehne + Nagel possesses, and in my position I shall build on them to keep our Company on course for growth. Only those who constantly set themselves new and ambitious aims can succeed in international competition, and that is what we shall do.

Mr. Lange, what new challenges does the position of CEO present to you?

Reinhard Lange: My more than 30 years in the service of Kuehne + Nagel and my experience as a member of the Management Board will undoubtedly be a help to me in my new position. Furthermore, the decision on the succession of Klaus Herm was made early enough to allow sufficient of time for an orderly transition during which I could already take over some of the duties of a CEO. And, last but not least, I look forward to the opportunity to build on the strength of Kuehne + Nagel and to bring it to new heights.

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Karl Gernandt, Delegate of the Board of Directors of Kuehne + Nagel International AG
but not least, the Kuehne + Nagel organisation has a strong team. So the challenges are mainly a result of external conditions. We are going through an economic downturn, and it is now up to us to demonstrate the expertise and flexibility we need to maintain our position on the world market even in critical times.

In which direction will the Company’s strategy develop in future?
Karl Gernandt: The Board of Directors and the Management Board are in agreement that the Group’s strategic alignment is fundamentally correct and is still setting the right priorities. This is confirmed by the good way business has developed so far. In view of the negative trend of the world economy we have naturally given a great deal of thought to the measures that must now be taken, and have decided to adopt a dual strategy of even more stringent cost management together with a purposeful expansion of our market shares wherever opportunities present themselves.

What does that mean for operational business?

Reinhard Lange: The keyword “stringent cost management” embraces measures which range from personnel adjustments and the reduction of overheads to a suspension of replacement investments and salary changes, strict credit management and even the limitation of business travel and internal conferences. At the same time, initiatives to increase productivity are in progress in all business units, and we are endeavouring to make our cost structure more flexible. We aim to increase our market share, which now stands at three percent, by the further development of high added-value products, particularly in niche segments, entry into new markets, innovative processes, and not least, a high degree of operative excellence.

Are further acquisitions on the agenda?
Karl Gernandt: We have always stressed that we want to grow organically, and our organisation is excellently positioned in the market to achieve ambitious goals. But this does not rule out acquisitions if they fit into our strategy. This fact is not fundamentally altered by the current crisis – it may even open up attractive opportunities, and we have the necessary financial resources at our disposal. The expansion of our European overland transport network is still a decisively important part of these plans for growth.

Reinhard Lange: Following his apprenticeship as a freight forwarder, Reinhard Lange started his international career with Kuehne + Nagel in Bremen in 1971. In 1985, he accepted a new challenge in Hong Kong, where for six years he successfully developed the seafreight business in the Asia-Pacific region as a member of the regional management team. He returned to Germany in 1991 as a member of the national management board, where he was responsible for the business unit Seafreight. Before being appointed to the Management Board of Kuehne + Nagel International AG, Reinhard Lange was Managing Director of the Kuehne + Nagel organisation in Canada. Since the autumn of 2007 he performed the additional function of deputy CEO. On January 1, 2009 he replaced Klaus Herms as Chairman of the Management Board.
Tender management: 
Global teamwork

The preparation of tenders for complex transport and logistics operations calls for a thorough knowledge of all aspects of international transport. For Kuehne + Nagel’s sea- and air-freight operations the Business Development Group (BDG) has the exacting task of drawing up the frequently voluminous bid documentation. A prime example of international cooperation, as can be seen from the following look at a typical day’s work for this team of specialists.

A cup of hot coffee and a full inbox: In London, Ashvin Mohindra is getting a picture of the tasks that await the European BDG team in the day ahead. The long list of e-mails contains a great deal of information and many queries about various ongoing tender projects. Shortly before finishing work for the day, the team’s colleagues in Asia began processing a new customer inquiry, a Request for Quotation (RFQ). In view of the globalisation of the flows of goods, it is hardly surprising that three quarters of all quotations involve at least one Asian country.

As its working day draws to a close, Bryan Chan’s team in Hong Kong is making preparations for an upcoming workshop of the automotive industry where the experts from Kuehne + Nagel are invited to speak about their experience in modern tender management. But he has to drop this task when he is called to the phone by current daily business. The head office in Schindellegi urgently needs a risk analysis to evaluate the potential of a leading customer in the retail trade. There is no doubt as to where the priorities lie. And flexibility is a core competence of the BDG. At one moment the seafreight export manager from China is on the line, and the next moment one is discussing margins and capacity with the global head of airfreight.

The teams in Africa and the Middle East are likewise already in action. The phone rings in London: Sarah Donmez, the colleague from Istanbul, has some queries about a quotation made the day before; some points about service levels are not quite clear. And, of course, time is short, for the customer needs a reply today. In the last few years the smaller BDG teams in Africa, the Middle East and South America have grown more and more important. For instance, one quotation in three now contains African price components; a growing number of requests for quotations even originate from this region and are coordinated from there. It is fortunate that Kuehne + Nagel has the support of a worldwide organisation.

In the meantime the colleagues from the road & rail business unit are asking about prices for a European domestic project. More and more orders now call for intermodal solutions, combinations of road, rail, air and ship transport. Coordination across business units operates smoothly, and information exchange keeps all those involved up to date with the latest developments.

The team in Hamburg is pressed for time: A large tender must be given a final check before it is handed over to the customer. This is a 30-page bid document for a worldwide contract involving more than a thousand individual routes for container and groupage cargo. It is a case of “all hands to the pumps”. But teamwork is the central strength of the BDG. “One for all, all for one” is the motto. That also applies to the colleague from Toronto, who visits the office as part of a four-week programme under which he is helping to exchange experience and ideas for improvements between Germany and Canada.

Berhard zur Strassen, Vice President Global Business Development (far right), with a part of his international team at last year’s BDG meeting in Schindellegi.
In New York, in a second round of bidding a producer of electrical appliances is asking for improvements in last week’s tender. The stated target price shows the BDG team how its offer is positioned in the race. There is just enough time for a second tender before Francis Blackmore and his team have to tackle the next project in the afternoon: an Internet auction for an RFQ from a pharmaceutical manufacturer in the Fortune 500 list. With this tender, Kuehne + Nagel is in the lead on two out of five parts of the contract. The New York airfreight manager is not dissatisfied with this interim score, but decides to make a few more inquiries by telephone. And in fact, after the evaluation of alternative routes and airlines, the colleagues in São Paulo are able to make a still more attractive offer for a section of the transport route. The team does want to secure this strategically valuable contract even if it does mean bending over backwards.

Hardly has the new offer been sent out, when Carla Kaiser in São Paulo is off to a meeting with her colleagues from the legal department and Key Account Management. Adjustments are needed to a few details of the liability conditions for a tender to a large high-tech customer. Worldwide, at any one time the BDG team is always working on between 15 and 20 projects of different sizes and complexities and from different regions, some in the analysis phase, others already in the second or third round, and others close to completion. The traditional peaks in the first and last quarter are progressively giving way to a full work load the year round. And, of course, the “most popular” inquiries come just when a number of team members plan to go on holiday.

In the colleagues in the transport route. The team members plan to go on holiday.

Business Development Group

In Kuehne + Nagel’s individual business units, different teams are responsible for the punctual responding to tenders for complex customer contracts. In sea and airfreight this responsibility lies with the Business Development Group, a team of 34 specialists in nine places located all over the world. In addition to punctuality and the reliability and capacity of the network, the price naturally is also an important criterion for the customer’s choice of logistics providers.

After the important preliminary work of the colleagues from Sales and Key Account Management has opened up the opportunity to participate in a tender-bidding process, the BDG gets to work and analyses the specific challenges of each inquiry. After consulting the regional contact persons in the Kuehne + Nagel organisation, the outlines of an individual customer solution are drafted. The tasks of the team include determining the necessary infrastructure and capacity, costing, and the discussion of the calculated margin with the management. Finally, the offer must be presented in writing in the form specified by the customer. A decision-making process normally goes through several rounds; in each round of the contest, parts of the tender must be improved or specified in greater detail in order to gain the edge over competing bids. If a tender fails to win a contract, the BDG team analyses the reason and seeks possible improvements for future competitions.

On the other side of the ocean in Europe, all projects are now progressing and under control. In Frankfurt the first feedbacks for an airfreight tender from the consumer goods sector are coming in and need to be checked. A flair for figures and fluent English are an absolute must in this job. But it is also important to know where freight rates currently stand and how they are likely to develop, quite apart from a basic understanding of the organisation and processes within a global logistics group. For the BDG team stand face to face with experienced experts on the customer’s side.

In Hamburg a single message stands out in the mailbox: Kuehne + Nagel has just been awarded a 50% share of a contract to handle transatlantic shipments amounting to several thousand TEU for a large international industrial company. This means it has further increased its share of business with this important customer. And the phone is already ringing: The project manager congratulates the BDG team on this success and thanks them for their first-class work. Not a bad end to another hectic day, thinks Jasmin Kulke. While she makes her way home, her colleagues on the other side of the Atlantic still have a good deal to do, and in a few hours the next day’s work will begin for the team in Hong Kong. One thing is certain: her inbox will be full again tomorrow morning.
"Global 3PL of the Year"

Kuehne + Nagel has been named “Global Third-Party Logistics Provider of the Year” at the Supply Chain Logistics Awards 2008 event recently held in Shanghai. The honour recognises Kuehne + Nagel’s excellence in offering industry-leading integrated logistics services in the Asia-Pacific region and worldwide.

The awards conferred annually by the Supply Chain Asia magazine, one of the leading logistics publications, aim to acknowledge leaders in Asia’s logistics and supply chain area. Finalists in the 18 categories are chosen by a ballot of the magazine’s readers, and an independent panel of judges then selects the winners.

Andy Weber, Kuehne + Nagel Regional Manager in Asia-Pacific, was delighted at the award. “We are honoured to receive this prestigious title. To effectively support our customers in meeting their day-to-day logistics challenges, we will continue to invest in our warehousing, distribution and lead logistics capabilities. We will also further enhance our portfolio of services through innovative product development and process optimisation,” he commented.

Royal presentation of two awards

Last October, at a single event and by no less a person than H.R.H. The Princess Royal, two prestigious prizes were handed to representatives of the Kuehne + Nagel national company in the United Kingdom. At a festive ceremony, the Chartered Institute of Logistics and Transport (CILT) conferred its annual awards on the best companies and persons in the business.

Kuehne + Nagel UK and its customer Argos, a leading British retailer which serves more than 130 million consumers every year, were jointly honoured with the Best Practice Award 2008. This award recognises outstanding developments in bringing benefits to logistics and supply chains in any mode or combination of modes. For this award, Kuehne + Nagel demonstrated how establishing a bonded logistics park in the Shanghai area reduced warehousing and transport costs and improved control over inbound logistics to Argos. The solution involved providing Argos’ thirteen UK distribution centres with full visibility of inventory in the Far East, enabling them to select the required stock, consolidate it to containers across multiple suppliers and dispatch these directly to the appropriate distribution centres.

The second prize went to Nabil Awan, Air Exports Rate Supervisor at Kuehne + Nagel UK, who was named as CILT Certificate Student of the Year 2007. Explaining why he had won, Dorothea Carvalho, Director of Professional Development at the CILT, said he had received it for his “consistently outstanding work” during the past year of training. Nabil Awan joined Kuehne + Nagel four years ago as a Gateway Clerk and gaining this valuable qualification has led to his promotion.
Last October, the Indian headquarters of Kuehne + Nagel in Delhi received a prominent group of visitors. Headed by Axel Gedaschko, the Hamburg State Minister for Economic Affairs and Labour, a business delegation totalling 30 persons toured the country and also paid a visit to Kuehne + Nagel. The aim of the trip was to strengthen the traditionally good business relations between companies from the Hanseatic city and Indian firms and government agencies. First-hand information provided a picture of current development trends and gave an indication of the potentials that exist on both sides. The group’s itinerary also included the cities of Gurgaon, Mumbai, and Bangalore and visits to Airbus and the Port & Ship Fair, where its members learned about the development of the Indian ports. The Hamburg delegation was impressed by Kuehne + Nagel’s more than twenty years of experience in India and its transport network, as well as by the integrated contract logistics services which the company provides for a large number of national and international customers.

For the second time in succession, the national company of Kuehne + Nagel in India has been awarded the prestigious title of “Best Logistics Service Provider – Sea Freight”, which is awarded annually. The prize was presented to the company’s Managing Director Volkmar Mueller at the Express, Logistics & Supply Chain congress in Delhi in September 2008. This event, which is organised by The Times of India, one of the country’s leading newspapers, serves as an annual platform to create a knowledge sharing and networking forum, as well as to drive the next generation of supply chain initiatives in India’s logistics sector. “The award recognises our efforts made in constantly improving our product portfolio. At Kuehne + Nagel, we are committed to innovative offerings and value creation, with the objective of being a trusted partner capable of supporting our customers from industry and trade in the optimisation of their supply chains,” commented Volkmar Mueller. Kuehne + Nagel has been active in India since 1987 and employs roughly 800 people in 23 locations.
First Canada and China, now Mexico
Kuehne + Nagel accompanies Best Buy on its further expansion

The American Best Buy chain is the world’s biggest retail seller of entertainment electronics and household appliances and operates more than 1,300 stores with a staff of roughly 150,000. In 2001, the retailer began progressively expanding abroad, first in Canada, then in China and finally in selected European markets such as Turkey.

Kuehne + Nagel has supported Best Buy as a logistics partner in Canada and China since 2005. In view of its positive experience, the customer chose to rely on this successful cooperation for its expansion into the Mexican market from 2008. Under an additional three-year contract, Kuehne + Nagel is now handling Best Buy’s warehousing, distribution and reverse logistics in Mexico. In addition to the operation of a daily shuttle service to the sales outlets, large products such as washing machines, refrigerators and TV sets are delivered directly to the end consumer and installed on-site.

After several months of planning, Kuehne + Nagel commenced logistics activities for Best Buy in their new Master Logistics Centre near Mexico City. Best Buy opened its first store on December 6, 2008 in the “Mundo E” shopping mall in the capital. This is the chain’s second largest sales outlet after the one in Shanghai. It is planned to open further stores in Mexico during this year and the years ahead.

New Master Distribution Centre
To accommodate the steady growth in its business volume over the past five years, Kuehne + Nagel has had to regularly expand its logistics capacity in Mexico, up to the point where it operated five distribution centres in the Mexico City region with a total storage area of 150,000 square metres. In 2008, it began consolidating all activities in a new and modern Master Distribution Centre. The first construction phase which was completed in September is dedicated to storing and handling the products of Best Buy and two other major international customers from the high-tech industry. The second phase for customers from the pharma sector will be available from February 2009, and from July 2009 a third part of the building will house the warehouse logistics for other well-known international customers.
Scraping the sky with Schindler in Hong Kong

An exceptional construction project presents a major logistics challenge

On behalf of the Schindler group, one of the world’s leading producers of elevator systems, Kuehne + Nagel is organising the complete transport logistics for one of this customer’s most impressive large-scale projects: With completion scheduled for the end of 2009 Schindler is installing no fewer than 40 specially developed double-deck and 18 high-speed lifts in the International Commerce Centre (ICC) in Hong Kong, one of the world’s four tallest buildings. The project presents a special challenge in as much as the 50 lowest storeys were to be let while the rest of the building is still under construction, so that the first elevators already had to be in service by the end of 2007.

The coordinated transport of a large number of elevator components including both bulky and technically sensitive items from Europe, Vietnam, Thailand and China, together with their high-performance motors, from Switzerland to their place of installation calls for a high level of forwarding expertise and an in-depth knowledge of the elevator industry. Kuehne + Nagel’s tailor-made, flexible logistics concepts and IT-based shipment tracking systems enable customers to concentrate on their core business and to optimise their operational processes in a cost- and resource-efficient manner. Kuehne + Nagel has been active as a strategic logistics partner for the Schindler group since 2003, and now organises its supply chains from the production sites to the end customer in most countries in the Asia-Pacific region as well as in North America, Europe, Africa and the Middle East.

In China alone 21 employees attend exclusively to the needs of Schindler and ensure the smooth handling of its logistics operations day and night, including the ICC project. Kuehne + Nagel is also advising the customer on the reorganisation and expansion of its own warehouse in Suzhou with the aim of reducing overall logistics costs. After a new shipping terminal went into service there in August 2008, Kuehne + Nagel relocated its LCL handling operations for the “top end” of the Schindler product range from its own logistics centre near Shanghai to Suzhou, which further shortens the delivery time for complete elevator systems.

The world’s fourth tallest building

With a total height of 490 metres and an office area of around 230,000 sqm providing workplaces for 20,000 people, on its completion in 2010 the International Commerce Centre in Hong Kong will be one of the world’s largest buildings. Its 118 storeys with an average area of 3,300 sqm will be accessed by more than 80 elevators. Lift shafts with a total length of 14 kilometres, individual shaft heights of up to 396 metres, a special service and firefighting elevator with a height of no less than 474 metres and elevator speeds of up to 32 kilometres per hour give an idea of the project’s gigantic dimensions. A special architectural feature of this skyscraper is its flat roof, as a result of which a number of lifts literally go “right to the top”.

www.schindler.com
www.ship-icc.com
Alloin becomes part of the Kuehne + Nagel network

The Kuehne + Nagel Group has set an important milestone on its way to becoming a leading European overland transport company: The acquisition of the French groupage provider Alloin represents a major step within the implementation of the Group’s overland business strategy.

Based close to Lyon in Villefranche-sur-Saône, the Alloin Group ranks among the ten leading groupage providers in France. The family-owned company, which has a long tradition and a good position in the market, is an ideal strategic fit for the Kuehne + Nagel Group. Without overlapping the existing organisation, Alloin represents a major extension to the Group’s European groupage network and provides it with a strong foothold in this important economic area. With this acquisition, Kuehne + Nagel moves up to sixth place among the biggest European groupage providers.

According to Xavier Urbain, Management Board member of Kuehne + Nagel International AG with responsibility for the business unit Road & Rail Logistics, “In the scope of our pan-European business development, the expansion of our road logistics activities in France is of the highest importance. The integration of Alloin into the Kuehne + Nagel Group is a major step forward.”
of the Alloin network into our existing structures opens up attractive opportunities for cross-selling, and our customers can benefit from a wide range of standardised logistics services and processes throughout Europe."

The former owner Jean-Louis Alloin will keep his position as President of the company in the future, and thus place his many years of experience in the French groupage business and his valuable customer contacts at the disposal of the Kuehne + Nagel Group. "We are pleased to be an important part of Kuehne + Nagel," he commented on the successful completion of the sale. "I am convinced that our customers will welcome this development and take advantage of the expanded range of services."

Alloin Transports in figures

Founded in 1934, the Alloin Group is now one of the ten leading groupage providers in France with roughly 3,000 employees. The company operates 53 cross-docking terminals, five logistics centres and four sea- and airfreight offices, and every day handles roughly 20,000 shipments with a total weight of around 2,900 tonnes. Each day there are roughly 500 connecting runs between the individual locations and 1,000 delivery runs per week are made throughout the country. With its substantial customer base, the company achieves an annual turnover of approximately EUR 300 million.

The 53 groupage terminals of Alloin (orange) ideally complement the existing network of 75 Kuehne + Nagel locations for contract logistics and sea- and airfreight services (blue).
Kuehne + Nagel is further expanding its infrastructure to meet the dynamic development of transport and logistics activities in the Greater Hamburg area. In a location with ideal transport connections at the motorway intersection Hamburg Süder, work began in October 2008 on a modern logistics centre which will have a warehouse and handling area totalling 45,000 sqm when it is completed after a construction period of roughly one year. The two business units Contract Logistics and Rail & Road Logistics are to be concentrated in this large-scale facility. Combining these activities at a single location is expected to realise substantial synergy potentials and bring ecological benefits by reducing the number of empty trips. After the completion of the logistics centre, roughly 500 Kuehne + Nagel staff will work in Obergeorgswerder. In the view of Chairman Klaus-Michael Kuehne, not only the customers but also the region itself will benefit from the investment, which is budgeted at 50 million euros. “After the construction of our German head office in the HafenCity and our logistics terminal in Altenwerder, our investment in this new facility again underlines Hamburg’s importance as a leading economic centre and European logistics hub.” At the ground-breaking ceremony, the first earth was turned (photo, from the left) by Hans-Georg Brinkmann, Managing Director of Kuehne + Nagel AG & Co. KG, Reiner Heiken, Head of the Region North of Kuehne + Nagel AG & Co. KG, Axel Gedaschko, Hamburg’s State Minister for Economic Affairs and Labour, Klaus Meeß, CEO of the construction firm Yuha GmbH, and Klaus Herms, CEO of Kuehne + Nagel International AG.

New logistics hub for Hamburg
Ground-breaking ceremony for new 45,000 sqm facility in Obergeorgswerder

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Space for more growth
The extension to the group headquarters in Schindellegi is proceeding according to plan

Construction work has been in progress at the headquarters of the Kuehne + Nagel Group at Schindellegi in Switzerland since July 2008: A multi-storey extension to the existing headquarters building, which has become too small for the company’s needs, is being built on an adjacent plot of land. Constructed in the same architectural style as the main building, it will provide extra space for the headquarters staff, who now number 140 men and women. In the medium term the constantly growing company plans to create 60 to 80 more jobs in Schindellegi. At the ground-breaking ceremony Klaus-Michael Kuehne, Chairman of the Board of Directors of Kuehne + Nagel International AG, stressed that “the expansion of our headquarters is a clear statement of our commitment to our location in Schindellegi in the Canton of Schwyz.” The building is scheduled to be completed after a 14-month construction period and to be ready for occupation in October 2009.

Energetic spade-wielders at the ground-breaking ceremony: Chairman Klaus-Michael Kuehne, his wife Christine and municipal council president Margrit Schuler
Expansion of contract logistics capacity

Successful inauguration of extension in the Duisburg Logport

After a construction period of just under one year, in August 2008 Kuehne + Nagel was able to commission the extension to its logistics building in Duisburg Logport. The company now has eight halls at its disposal with a total of 47,000 sqm of warehouse space and 1,800 sqm of offices.

In addition to its spacious goods handling areas the multi-functional logistics centre has a large number of truck loading ramps; a further 46 have been added to the 59 that already existed. The up-to-date equipment of the facility includes a fully automatic, multi-depth stacking system for 74,500 europallets, the biggest of its kind in Europe, which increases the total number of slots to 94,000. This infrastructure permits the complete paperless handling of up to 150 trucks or 8,000 pallet deliveries per day. With a sophisticated break-in alarm system and sprinklers covering its whole floor area, the building also conforms to the latest safety and security standards.

Kuehne + Nagel has been present in Logport since 2003, and from its base there it provides integrated logistics solutions for a number of international customers including one of the world’s leading computer and printer manufacturers. The extension of the existing facility was made necessary by the growing demand for contract logistics services in this favoured European logistics hub. The investment totalling 22 million euros underlines the importance Kuehne + Nagel attaches to Duisburg as a logistics location.

Pan-European multimodal logistics hub

The “Duisport” is the biggest European inland port. Located at the point where the Ruhr flows into the Rhine and at the intersection of the most important north-south and east-west transport axes, it has ideal connections to markets all over Europe. The trimodal logistics park Logport I has been growing on the site of the former Krupp works since 1999. The 265-hectare site has an imposing infrastructure with its own dock, a ten-track marshalling yard, a new road access network, a roll-on-roll-off installation, more than 300,000 square metres of storage space and the world’s biggest inland container handling facility. As a result of its attractive position and excellent regular transport connections by river, rail, road and via Duesseldorf international airport, which is only 30 km away, more than 250 logistics providers have established themselves here. The port of Duisburg now provides jobs for 36,000 people, a third more than in the year 2000. The modular combination possibilities of the traffic it handles help to relieve the load on the regional transport infrastructure and keep the burden on the environment relatively small. On the opposite side of the Rhine, work is now in progress on the development of Logport II, an additional 30-hectare site to meet the continuing growth in demand for logistics space.

In the driver’s seat of a giant Claas farm machine
Kuehne + Nagel’s Bielefeld staff get hands-on experience of their customer’s business

A group of 30 Kuehne + Nagel employees from the Bielefeld office had the opportunity to get a close-up picture of the plant and products of one of their customers. At the town of Harsewinkel in Westphalia, the logistics experts gained a comprehensive insight into the operations of the Claas company, for whose worldwide supply chain needs they are in daily action.

Kuehne + Nagel and Claas are linked by a successful partnership which goes back more than 40 years. The companies work closely together not only in air- and seafreight, but also in the field of overland transport and contract logistics. With the aim of further strengthening their good relations and getting to know each other better, the Claas logistics staff gave their fellow logisticians a tour of the extensive site at their company’s headquarters with its modern production and handling facilities. The group from Bielefeld was visibly impressed by the installations and naturally also by the giant agricultural machines – not only because of their dimensions but also because of the speed with which they perform the many individual operations. The people from Kuehne + Nagel gained further background information from a talk given by Claas transport logistics manager Bülent Ileri in which he described the impressive development of his company and the supply chain initiatives of the world-renowned farm machinery maker.

But the emotional highlight of the day was, of course, the test driving of various state-of-the-art agricultural machines on a farm near the Harsewinkel factory. Here, the Kuehne + Nagel staff had the unique opportunity of themselves taking the controls of one of these real “offroaders” in an event which Claas made into an unforgettable experience for everyone who was able to take part.

A unique opportunity: Experiencing the customer’s business from the driving seat
Kärcher selects Kuehne + Nagel for Russia

Kuehne + Nagel’s flexibility and logistics expertise convince the world’s leading maker of cleaning equipment

Kärcher is the world’s biggest producer of cleaning equipment for industry, trade and the home. The family firm based in Winnenden, Baden-Württemberg, Germany, employs more than 6,500 people in 41 countries. After-sales service and the supply of spare parts are provided by 40,000 service points in 190 countries. More than 500 engineers and technologists work on the development and design of innovative products, from high-pressure cleaners and snowblowers for the home and garden to suction sweepers and vehicle cleaning systems for industrial use.

In autumn 2008, Kuehne + Nagel was entrusted by Kärcher with managing products, accessories and spare parts warehousing for the whole of its Russian sales market. Under the three-year agreement, which has been implemented at Kuehne + Nagel’s class A site close to Moscow, Kuehne + Nagel is in charge of unloading and inspecting Kärcher shipments received from Germany, storage, order picking, dispatch preparation, as well as inbound and outbound document flow as required by Russian law and the customer. The contract also encompasses spare parts management including warehousing, order-specific picking, packing and labelling activities. EDI interfaces have been implemented between the two companies’ IT systems to ensure the seamless day-to-day running of the business.

"Thanks to the new partnership with Kuehne + Nagel we are now able to take full control of the import and sale of our products across Russia, leveraging the high quality logistics expertise and local know-how of Kuehne + Nagel," says Dimitri Khomov, CFO at Kärcher Moscow. "In particular, Kuehne + Nagel has shown great flexibility with regard to accommodating the dramatic increase in sales volumes we are seeing in Russia."

Perry Neumann, Kuehne + Nagel’s Managing Director for Russia, added, "We are proud to have been selected by Kärcher as their logistics provider of choice for the dynamic Russian market. We are driving the expansion of our logistics network across the country and anticipate accompanying Kärcher and other major global companies further into Russia."

www.kaercher.com
"Kuehne + Nagel, please take over"

Following its installation in October 2008, Europe’s biggest quadriga sculpture can again be admired in Braunschweig. The exacting task of delivering this reconstructed chariot with its team of four horses from the foundry in Poland was entrusted to the experienced specialists of Kuehne + Nagel.

A total of four monumental quadrigas now stand on historic buildings in Germany. In addition to the panther quadriga on the Semper Opera in Dresden and the sculpture on the Victory Gate in Munich, the quadriga on the Brandenburg Gate in Berlin is undoubtedly the most famous. But since a short time ago, by far the largest has been back in place to adorn the rebuilt Guelph Palace in Braunschweig. The reconstruction of the work of art created in 1863 by sculptor Ernst Rietschel was made possible by donations from private individuals and from the Richard Borek Foundation. The original was destroyed by a fire at the palace already in 1865, and a later replica which was only half its size was stolen by metal thieves in the late 1940s.

After the Braunschweig city council decided in 2003 to commission an original-size reconstruction of the Quadriga, it was necessary to find a production process that was suited to modern conditions: Because of the impressive dimensions and complicated forms of the sculpture, the originally beaten-copper technique would have been far too time-consuming and expensive. The choice of technique finally fell upon bronze casting, and the work was entrusted to a special foundry in the Polish town of Komorniki, which was able to complete it within two years. Including the plinth, the four horses with a height of nearly 5 metres, the chariot with wheels 3 metres in diameter and the charioteer Brunonia, the symbolic Brunswick goddess with a height of 5.4 metres, the sculpture has a total weight of almost 26 tonnes.

The four horses with a height of nearly 5 metres, the chariot with wheels 3 metres in diameter and the charioteer Brunonia, the symbolic Brunswick goddess with a height of 5.4 metres, have a total weight of almost 26 tonnes.
The imposing sculpture also presented special challenges with regard to its transport and installation. After a first attempt at transporting the Quadriga in 2007, when parts of the sculpture were damaged and had to be re-cast, the project managers called in the experts at Kuehne + Nagel. The Company’s specialists in the Munich trade fair and events logistics team soon recognised that the key to the problem lay in the packing. To minimise vibration during transport, they decided to partly embed the wood-crated parts in foam. Protected in this way, in October 2008 the complete sculpture was transported to Braunschweig without incident on four normal trucks. On 23 October everything was ready, and in the evening the Quadriga was hoisted into its original place amid applause from a large number of appreciative onlookers. It now gleams with a resplendent bronze shine which in twenty years or so will have given way to a natural green patina.
An airship goes to sea

It normally flies through the air, but its fuel tank would not have been big enough for a non-stop flight across the Atlantic. That is why Kuehne + Nagel had the job of managing the preparation and loading of a brand new Zeppelin NT airship for transport by ship from Hamburg to Texas.

In June 2007 the American company Airship Ventures ordered the "NT" from Zeppelin Luftschifftechnik GmbH in Friedrichshafen, Germany, for flightseeing tours in the San Francisco region. After its maiden flight and the granting of its airworthiness certificate by the US aviation authority, last autumn the airship needed to be transported to its operating base. The task of preparing the dirigible was entrusted to Kuehne + Nagel, whose Aerospace & Aviation Logistics department thus came to handle what was by far its biggest "single shipment" so far.

The Zeppelin would never have managed a flight across the Atlantic, including the delicate task of mooring and refuelling which would have been out of the question on the rough autumn sea. But for the transport by ship proposed by Kuehne + Nagel, it was necessary to find ports of departure and destination where the airship could land and take off. The sole possibility in northern Europe was Hamburg, particularly since Airbus had kindly volunteered to house the Zeppelin at their factory in Hamburg-Finkenwerder until it was ready for loading. As a result of the superb cooperation between the teams of Kuehne + Nagel and Airbus, the airship was got ready for its sea journey in only three days in one of the A380 production hangars.

After the stabilisers, rudder, propellers and other external parts had been removed and specially packed, and the Hamburg weather with its typical "stiff breeze" had imposed a further waiting time of two days, the Zeppelin NT could finally be loaded onto a multi-purpose dock ship.

Following an 18-day voyage the exceptional cargo reached its destination at Beaumont in Texas, where it was unloaded and reassembled. After a few test flights the giant made the last leg of the journey under its own power and finally landed at Moffett Field in California on October 14, after a total journey time of 75 days. The Zeppelin NT is now in full operation in its new home, and in future Kuehne + Nagel will also be responsible for the timely delivery of spare parts.

www.zeppelinflug.de
www.airshipventures.com
www.airbus.com
A “flirt” on the low-loader
Kuehne + Nagel transports Stadler Rail’s new regional train to Finland

At the end of 2006 the Stadler Rail group, a well-known Swiss train builder, received an order for 32 train units for the Helsinki commuter rail network. This interesting assignment presented special challenges which put the technological capabilities of the Bussnang-based company to the test. The wider Finnish gauge of 1,524 millimetres and a climate with temperatures down to 40 degrees below zero called for extensive adaptations to Stadler Rail’s tried and tested FLIRT (Fast, Light, Innovative Regional Train). Besides a broader wheelbase, the Finnish version incorporates various modifications to meet cold winter conditions including extra insulation, triple-glazed windows, air conditioning with a heat recycling system and hot-air heaters in the entrance areas.

After the completion of the pre-series trains, in November 2008 the first of these two units, which consist of two powered cars and two middle cars, was transported to Finland by Kuehne + Nagel. This and the second train unit which will follow in January 2009 will be thoroughly tested there by Stadler Rail before the start of series production, which is planned to be completed in 2014. Because of the incompatibility of the broader Finnish gauge with the European rail network, the test FLIRT could not travel to Finland on its own wheels but had to be transported by the Kuehne + Nagel heavy lift experts on low-loader trucks to Luebeck and from there by ferry to Helsinki. The dimensions of the middle wagons with a weight of 20 tonnes presented no problems, but the two 30-tonne power cars were in the critical range for road transport. To solve the problem, Kuehne + Nagel designed and constructed special transport supports which enabled the cargo to be safely loaded and transported on schedule.

Stadler Rail has been working with Kuehne + Nagel to optimise its production logistics for roughly a year. Responsibility for the transport of the FLIRT trains is in the hands of the Kuehne + Nagel project department in Nuremberg, a proven centre of excellence for the railway business. The customer was satisfied with its handling of the transport operation, so that the first “flirt” is soon likely to develop into a long-term relationship.

www.stadlerrail.com
New home for tsunami orphans
Official opening of the SOS children’s village in Sumatra

Even if in the worldwide media the tsunami disaster of 2004 has long been displaced from the headlines by other news, its tragic consequences are still a reality for many of its victims. But life has now become somewhat easier for nearly a hundred Indonesian children who were orphaned by the tidal wave. Thanks in no small part to the spontaneous support and generous donations from Kuehne + Nagel and its staff, the SOS Children’s Villages organisation was able to open its village in Banda Aceh in Sumatra in August 2008. There, 15 solidly built houses now provide the children with a new home and give them hope for a brighter future. One of the family houses and the kindergarten of the village, as well as the costs of keeping the children in the first year, have been paid for out of the Kuehne + Nagel contributions. The official opening, at which the children celebrated their new village dressed in traditional costumes which they had made themselves, took place in the presence of many guests and donors from Europe. Burkhardt Daemich, Managing Director of the Indonesian national company, travelled from Jakarta to Banda Aceh. “I was delighted to see the light-hearted mood of the new residents and the amenities of the newly built village and kindergarten,” he said at the unveiling ceremony for a plaque which thanks the Company and its staff for their valuable donations. www.sos-childrensvillages.org

Career of the Year award for Tobias Jerschke

Shortly after taking up his new position as Managing Director of the Kuehne + Nagel organisation in Poland, in November Tobias Jerschke was selected for the “Career of the Year 2008” award. This honour conferred by the German business journal Handelsblatt is regarded as the top prize for outstanding young managers in German industry. Tobias Jerschke, who is only 35, joined Kuehne + Nagel in 1998 after completing his studies at the WHU Otto Beisheim School of Management, Koblenz-Vallendar. As head of the Corporate Development Department he was involved in the management of important corporate acquisitions, including that of ACR Logistics, before he became head of the French national organisation. As Sales Director of the Region Southwest Europe, in 2008 he played a crucial role in the negotiation of the contract with Airbus, the biggest to date in the history of Kuehne + Nagel.

Another Olympic medal for Daniel Arnold

A warm welcome from his colleagues awaited Daniel Arnold last autumn on his return from the Paralympics in Beijing. The trained logistics manager, who works in the airfreight export department of the Kuehne + Nagel branch in Augsburg, brought home the silver medal for the table tennis singles contest. In a thrilling final, the number one in the world ranking list was only narrowly beaten by Peter Rosenmeier of Denmark. The three times Paralympics champion Daniel Arnold has been playing table tennis since he was only five years old. Before Beijing he already stood out in Sydney in 2000 (team gold and singles silver) and in Athens in 2004 (team gold and singles gold). While pursuing his sporting career he has been in the service of Kuehne + Nagel for more than eight years. For his daily training during the six months of preparation for Beijing he was released from his duties by the firm and received flexible support from his fellow employees. The staff of Kuehne + Nagel Augsburg are correspondingly proud of the latest medal win by their Olympic star, who has also been celebrated in the German media.
High accolades for Klaus-Michael Kuehne

Last autumn no less than three high awards were conferred upon Klaus-Michael Kuehne. He was honoured in London for his services to the development of European logistics and in Lucerne for his many and varied achievements during his life’s work, while in Vallendar he received an honorary doctorate in recognition of his outstanding contribution to the development of supply chain and logistics.

Honorary doctorate

Finally, in November the WHU Otto Beisheim School of Management located in Vallendar in Germany awarded an honorary doctorate to Klaus-Michael Kuehne for his “outstanding services to the development of business logistics research and teaching”. Besides supporting a number of universities including those in Hamburg, Berlin, Zurich and Shanghai, with his Foundation the entrepreneur finances a conference centre and a chair of logistics management at WHU. Praising his committed efforts, WHU Rector Prof. Michael Frenkel said that “never before in the history of business management teaching has a patron given such strong support to a specific field as Klaus-Michael Kuehne has to logistics.”

Expressing his pleasure at the accolades, the Chairman of Kuehne + Nagel International AG stressed that above all, he also regarded them as a recognition of the achievements of his committed staff all over the world. In the globalised markets, whose supply chains were likely to become even more complex, he considered efficient and intelligent logistics solutions to be as important as ever.

Master Entrepreneur

At a gala evening in Lucerne which was attended by some 400 guests from industry, politics and society in October Klaus-Michael Kuehne received the title of Master Entrepreneur, which was conferred on him by Ernst & Young Switzerland. On behalf of this leading auditing and consultancy organisation, each year independent juries in 40 countries select the “Entrepreneurs of the Year” according to strictly uniform criteria. In rare cases the jury at the same time confers the title of “Master Entrepreneur” on exceptional entrepreneurial personalities. In 2008, this special honour was bestowed upon Klaus-Michael Kuehne in recognition of his lifetime’s achievement. He was praised by the jury as a “globaliser”, a “role model for other entrepreneurs”, and a “fighter”. What impressed them most of all was his awareness of quality, his entrepreneurial energy, and his commitment to charitable, cultural and scientific causes.

Individual Achievement Award

Many prominent guests from the international logistics industry were also in London for the presentation of the European Supply Chain Excellence Awards 2008. The winners of the awards are chosen annually by the readers of the well-known professional journal Supply Chain Standard. At this event the Individual Achievement Award was conferred upon Klaus-Michael Kuehne in recognition of his outstanding contribution to the development of supply chain and logistics.