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Dear reader,

As transport and logistic companies continue to globalise their business, logistic management becomes increasingly complex. Integrated ICT solutions capable of supporting this complex environment are therefore no longer a luxury. Most ICT technologies and solutions keep pace with worldwide developments in the logistics trade. DCS Transport and Logistic Solutions (DCS T&LS) recognise and understand these changes. We offer our clients tailor-made, scalable and modular logistic solutions, able to cope with the ever-changing business requirements connecting into and out of systems worldwide, integrating new and existing environments.

These are exciting times for us. We gladly meet the challenge of today's global businesses. And would like to share this enthusiasm with you. Hence this Dcs@work newsletter. It is the first of many, as we make every effort to keep you up to date on a regular basis. In our newsletters you will read what innovative and exciting developments are taking place to support and enhance your business and smooth out your global logistic processes.

Within this background, we are proud to announce our revolutionary cooperation with Oracle. As you can read on page 2 and 3, our solution (DCSi.Logistics) now operates on Oracle, which will allow greater flexibility of supply chain operations and hence reduce costs. The



solution, which will be premièred at the 2003 SITL exhibition in Paris, is based around Oracle's eBusiness Suite and our DCSi.Logistics application and will enhance major margin improvement in your business.

With this newsletter we want to give our customers a forum to communicate how integration of the right ICT tools have made them overcome their problems and outdo their competition. Market conditions for global freight companies are difficult. But new contracts, for example, with Giraud in France (read: page 4) prove that by investing in DCSi.Logistics is the best way to improve performance and gain greater market share.

As you can see, DCS T&LS develops and moves with the changes and dynamics in the market place. We already have a head start in the industry with the development of new architectures such as JAVA. The only software you want is the one that returns an investment. With our new releases we know it pays to invest in DCSi.Logistics.

You can count on that!

Bob Saul

Managing Director DCS Transport & Logistics

Managing the transatlantic supply chain

Kühne & Nagel (KN) chose DCSi.Logistics to dramatically streamline truck builder Scania's component flows from Europe to its Latin American production plants in Argentina, Tucuman and Sao Paolo. With production completely driven by customer orders, it is imperative for Scania to locate its final assembly lines in the customers' backyard.

In such circumstances any logistics service provider faces a twofold challenge in maintaining a regular transatlantic flow of materials from Europe to Latin America and in providing a fast-track service to cope with stock shortages and rush orders.

KN's answer was to set up a dedicated consolidation warehouse in Antwerp for components delivered from all over Europe by Scania's 450 suppliers. The advantages for such a location are clear: close to the seaport for the regular ocean service and within easy reach of Brussels airport for (urgent) airfreight shipments.

DCSi.@ work

When KN moved to a larger warehouse in September 2001 it was the opportunity to implement a new streamlined logistical process built around the warehousing package, a DCSi.Logistics third-party warehousing module used by KN to manage its forwarding operations worldwide. Thanks to the many positive experiences from previous implementations KN already knew that this flexible and parameter-driven system would provide a solid base for the Scania project.

One important ground rule that had to be applied from the start was the use of the standard "Odette" label. This label is today employed in the automotive industry to identify parts in transit and it is available through DCSi.Logistics. "Odette" is barcoded with the part number and quantity, but also mentions the supplier, the weight and the



destination. It is a single scanning label that can be used for each point of the supply chain and therefore it is ideal for KN to keep track of the receiving and outbound legs of the process flow.

Another key element in providing a quality customer service to Scania was to upgrade the existing fax system between Antwerp and South America, which runs through KN's I-Broker hub in Hamburg, to full EDI transmission. The upgrade now guarantees a full control of the product status timely and complete information flow between the customer, its suppliers and the manufacturing plants.

The benefits

"In implementing DCSi.Logistics warehousing module in our new Antwerp warehouse, we

have provided Scania with a stable and reliable system, allowing us a dramatic reduction of lead times and with errors almost down to zero," says Stefaan Weckx, Kühne & Nagel's Belgium IT manager. "In addition, it gives KN easy handling, a fast stock overview and a simple EDI exchange with the customer."

Kühne & Nagel has now successfully been using the smoothly running system for some time and is now looking to extend it beyond the Scania Latin American operation, with a different goods flow, as well as with other warehouse customers.



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Logistics services ma

Key features

- Leading and proven applications for back and front office
- Best practices to reduce complexity, time and costs
- Centralized data for business intelligence and excellence
- Real time order promising
- Mobile device support for material management
- Support for tailored fulfilment models
- Real time order visibility
- Open, workflow driven architecture
- World wide, all year round support services

"Logistic Service Providers today face demanding challenges like increased customer expectations and a more complex supply chain. Information Technology is regarded key to the success in exploiting these new opportunities. DCS Transport and Logistics Solutions and Oracle are teaming to deliver unprecedented but proven solutions that specifically address these challenges and realize a future prove, flexible IT- infrastructure."

Reinier van Grieken
Director of Sales – Channel, Oracle Corporation.

Oracle's mission is to be the leading business partner and information technology solutions provider for the logistics providers in these challenging times. Oracle delivers this promise by teaming up with DCSi.Logistics, the leading solution provider for logistics and freight forwarding, to offer companies the unprecedented choice and flexibility without the worry about complex and lengthy implementations

Trends and solutions

The trend towards outsourced logistics operations brought by increasingly complex and globalised supply chain strategies accentuates the stresses and strains of logistics companies as they grapple with complex problems of capacity management, customer expectations, industry consolidation and the emergence of new supply chain models. Information technology is seen as key to success, with the understanding that IT and e-business programs actually deliver focused performance advantages in a reasonable time.

Oracle and DCS Transport and Logistic Solutions announce the immediate availability of the DCSi.Logistics Suite powered by Oracle. DCS Transport and Logistics Solutions have had over 15 years focussed experience in the development and implementation of their systems into Transportation and 3PL companies. The DCSi.Logistics software suite covers all the core business processes of Air/Sea, Road Transport, Rail and 3rd-party Warehousing.

Industry knowledge

Together we have the know-how, the people, the methodologies and the technologies to support world-class business

management: from financials to planning, from procurement to customer relationship management, from reservation systems to mobile technology, from training to asset management, from human resources administration to supply chain management and from transport management to fulfilment.

Dimensions and margin improvement

DCS and Oracle solutions support the three dimensions of effective governance:

- Visibility – business information is timely, relevant, accurate and available throughout the enterprise
- Control – implement strategies, enforce policies and detect and correct exceptions and violations before they spiral out of control
- Efficiency – visibility and control without adding significantly to the administrative overhead

These three dimensions can realise greater optimisation of the supply chain operations and reduce costs.

To retain and increase market share, logistics partners must support their clients with value added services that can meet these demands including IT systems that increase their flexibility to respond to new market opportunities and generate new revenue streams. Successful provision of such services provides a logistic partner with competitive advantage and the ability to increase margins.

Continuation of page 1

DCSi.Logistics @ work

Each of the 450 European suppliers notifies Scania electronically two days prior of delivering their goods in the Kühne & Nagel warehouse in Antwerp. After updating its own production systems, Scania consolidates the pre-advice and passes them on to the warehouse. Pending the goods' arrival, DCSi.Logistics automatically processes the pre-advice to create inbound orders. These orders can also be entered or corrected manually into the system.

Upon arrival, the goods are matched to a pre-advice. If an "Odette" label is damaged or missing, some of the smaller suppliers do not yet label their goods, it on the spot is printed by DCSi.Logistics. Each package is then scanned to confirm its quantity and condition and allocated to a warehouse location. Up to 20 deliveries, as many as 1,000 pallets, are daily processed in this way.

Some of the goods might also need repacking to minimise the damage during the ocean transit. Smaller packages are assembled into "combi pallets" for extra protection and to simplify their handling on top of streamlining the shipping. It is DCSi.Logistics via RF that maintains a complete list of pallet contents and prints a new pallet label on completing the repacking. The resulting pallets are then scanned in exactly the same way as the "Odette" labels.

All the arriving goods are stored during a short period in the KN warehouse in Antwerp, which allows the manufacturing plants to draw up an Airfreight Order for urgently needed parts in the production. If the parts are available, even if already planned onto a container load, they are directly allocated.

Otherwise DCSi.Logistics keeps the order open until the parts arrive, to send them later. At regular intervals during the day the parts are picked from the storage area and readied for airfreight shipment from Brussels Airport.

At the end of the storage period the remaining goods are prepared, containerised and shipped to their final destination by sea from Antwerp. This operation is now largely automated because of the powerful combination of EDI and RF handling. RF terminals are used to plan a container or airfreight load in advance of the physical loading. An operator is provided with a full set of RF panels, all accessible in the DCSi.Logistics system, for the simulation, planning and confirmation of loads. When the goods are loaded into a container a final scan is performed to check whether they are bound for the right destination. A single shipping confirmation then moves the goods to the next point in the supply chain. Seven such containers may leave the KN warehouse each day to their final destination.



Inventory across

DCS Transport and Logistics have recently announced a new web-based product aimed at all providers of managed warehouse services.

Yusen Air and Sea is one the leading global forwarders, providing air, sea and land-based services from 180 branches throughout Asia, Europe and the Americas. Over the years, the company has steadily expanded its stock of warehouses and is continually extending the scope of its electronic trading with its clients.

Management

Delivering efulfilment

The value added services frequently include the provision of efulfilment solutions based on Internet technology to optimise the efulfilment of customer orders. Such systems need to be delivered quickly to seize market opportunities and at low cost to enhance the business proposition for all parties involved. They must also be flexible to support changing business requirements and to accommodate new opportunities as they arise.

Historically companies have often implemented such solutions seeking single point margin improvement and technology itself has sometimes been a barrier to change. Oracle and DCS are challenging the traditional methods by developing a robust, flexible efulfilment solution built with market leading Internet-based technology and specifically designed to support the market requirements.

This solution is based around components of Oracle's eBusiness Suite and DCSi.Logistics Suite and provides companies with the potential for a step change in margin improvement. The solution is a web-based application capable of handling supply chain execution: capturing, managing, sourcing, warehousing and delivering customer orders, as well as supply chain planning: optimisation of inventory locations and levels,

demand and supply planning and supply chain design. It can be tailored to suit requirements and implemented quickly to produce a fast return on investment. Running costs are reduced once the system is operational as the system can be configured to manage multiple requirements from multiple customers. There is no need for reinvention or duplication of the system once new customers are identified.

Oracle and DCSi.Logistics – The Total Solution

With Oracle and DCS Transport and Logistics Solutions, logistics providers can integrate and improve the efficiencies of their operations to be ready to exploit the opportunities that lie ahead and turn them into real business.

Key benefits

With Oracle and DCSi.Logistics, logistics providers can integrate and improve the efficiencies of their operations to be ready to exploit the opportunities that lie ahead and turn them into real business.

Related products and services

DCS and Oracle provide:

- Supply Chain Execution
- Order Management
- Warehouse Management
- Transport Management
- Asset Management
- Mobile Communications
- Onboard Computing
- Document Imaging
- Contracts
- Service
- Procurement
- Projects
- Financials
- Human Resources
- Marketing
- Sales

“DCS is developing a close working partnership with Oracle to jointly sell our market leading solutions to freight and 3PL Logistics providers. In addition to the integration with Oracle database and application servers, we are working to incorporate modules of the Oracle E-Business Suite which considerably strengthens the overall value proposition on offer to our customers.”

Bob Saul, Managing Director
DCS Transport and Logistics Solutions

ORACLE®



the Internet

Yusen US

Yusen USA offers multi-modal international air and sea freight forwarding from an office network across the United States. Within the US, they have also set up an extensive domestic network to complement the international operation, feeding cargo from trucking services in and out of the airfreight hubs. Yusen offer a full range of logistics services to their US customers, ranging from basic warehousing to contract logistics and supply chain management, so this is a natural area for the deployment of Webstock.

Webstock @ work

With a distributed network of computers across the US, collating inventory information from a number of nodes for their larger clients is a key requirement. Webstock is the answer. From a server based in New York, it will integrate stock details from

Yusen's various depots and present this across the Internet to their customers, giving them access to item balances wherever they are, 24 hour a day.

The concept

Webstock is a new Internet information tool designed specifically to meet the needs of the 3PL community. For the first time it provides end-users with the capability to make inventory enquiries and place shipping orders for stock that may be located anywhere in the world.

Versatile

Anyone with access to the Internet can use Webstock, as long as they are authorised clients. And they can log in from anywhere, even from a laptop on the move. Webstock can access stock held in multiple warehouses, even if these are on separate computer systems. It integrates the results to present a single view of all the available resources. It can also work across different WMS and hardware platforms.

For the smaller end-client, Webstock's easy to use order entry process offers a real alternative to sending shipping orders to the 3PL by e-mail or fax. The progress of each order is updated and can be tracked on-line.

Better Service

With the ability to view stock on-line, to track orders and print reports, the end-user is now much more in control of his managed inventory, freeing the 3PL staff to concentrate on managing the quality and timeliness of the operation.

Data is Central

Key to the Webstock approach is a central database that holds all the information needed for the stock enquiries and order entry.

Webstock receives its stock information in the form of messages from each operational WMS. When a relevant transaction is logged in an associated WMS, the details are passed as a file transfer and used to update the central database. And even if communication is lost with one of the feeder systems for any reason, Webstock will continue to operate.

Shipping Orders

Webstock enables clients to enter shipping orders on-line from his own stock and to any of his customers. Even if there is not enough product currently in stock, the order may be held back until all the goods are available, or part-shipped at once. Orders entered on-line are sent by Webstock to the remote WMS where the 3PL then manages order picking in the usual way. Details of order status are then relayed back to Webstock, so that the status is viewable by the internet user.

Stock Reporting

Webstock's range of reports enables clients to easily print or mail warehouse in- and out-lists or a history of stock movements for a single product or a range of items.

Internet Enquiries

After log-in, a Main Menu is displayed with a full range of options. An authorised client can view stock balances in the smallest detail, get a complete integrated picture of balances across all depots for a single product, and can follow the effect of stock movements over any time period.

Access Control

Webstock enables each client to only view his own stock or shipping orders during an enquiry. Access during the log-in is strictly controlled by user-id and password. Security administration is controlled by the 3PL, who may allot a number of different user-ids to a single client.

The Benefits

Using Webstock has given Yusen the power to receive and deliver information cheaply. With the basic questions answered by Webstock, the warehouse staff can concentrate more on an ISO-quality operation. And with on-line ordering increasing the accuracy and speed of the distribution operation, quality gains are not slow to follow.

Yusen Air & Sea

Giraud International

ICT Supports Networking and Improves Safety

Over the last 15 years the French transport group Giraud has expanded both on the national and European level, mainly by taking over small and medium-sized businesses in France, Spain and Belgium. Five years ago the group decided to step into the world of logistics so it could offer its customers a wider range of value added services.

As a consequence, the group was split up into two entities: Giraud International and Giraud Logistics. Each business was given the opportunity to develop at its own pace, supported by external financial resources. "This new structure has allowed both businesses to focus on their own technicalities and to each be more specific in defining their functions and costs," says Philippe Limbourg, Managing Director of Giraud International.

Building a european network

"In France, Giraud International is in every aspect a key player on the transport market," explains Mr Limbourg. "But I

admit that the group's European share of the market is just a mere 5%, which means that there are still vast areas to conquer." He prefers to define Giraud as a transport organiser rather than a mere haulier, because the company is capable of offering solutions through a combination of its own resources and subcontracting.

"Few European groups have been able to set up a network in the "integrator" sense of the word. It is building a system of interlinked geographical points supported by harmonised procedures and interconnected ways of transport," says Mr Limbourg. "The larger transport companies are very often a victim of the heterogeneity of their solutions. Therefore it is important to have just one information system. Only such a system permits the organisation to optimise its resources and to immediately respond to any request at a European level, disregarding its origin."

Major ict investment programme

In 2001 Giraud International embarked on a major ICT investment programme totalling 12 million euro. This year the group has implemented a multi-lingual system that is focusing on the interface between man and machine, tracking & tracing, electronic documents, event management and real time positional mapping.

Another priority is the implementation of a single invoicing system. This system will let the company set up a common database that can be shared by all subsidiaries, integrating all existing permanent and temporary files, to obtain a single European operating system.

Giraud International will spend almost 7,5 million euro of its total ICT budget on on-board information

systems. This project intends to fully incorporate all data and voice communication, GPS, the work orders and real-time transport instructions as well as time management. The wide ranging ICT programme will also provide e-mail and SMS messages from the computerscreens, internet-based EDI access, a generalisation of the Teleroute connection and an optimised management of the freight exchange platforms. These improvements will start to bear fruit in the near future.

"New technologies can also contribute to the safety and security programme that Giraud has embarked on," says Mr Limbourg. "Although I think that safety is first of all a matter of behaviour I am convinced that navigation systems can also be an important safety factor. I can testify from my personal experience that since a GPS has been installed in my car it guides me into the right direction so that I can fully concentrate on the actual driving."

(With thanks to Transport & Technologies)

Giraud International in a nutshell

Giraud International's strategy centres on the development of a European network for an overall, continuous and homogeneous service in the full loads and groupage (+500kg) segments. Today the group can already boast a strong presence in France, Belgium and Spain and is to a lesser extent active in the UK, Germany, Hungary and Italy. On occasion also Sweden, Finland and Russia are served, while Poland is considered a strongly developing market. Giraud International's near future plans are to focus on the development of existing links between France and the UK, France and Germany and France and Italy.

Integrated Software Solutions for Logistics and Freight

With the acquisition of Vitesse in 1999, the French Geodis group changed its name into Geodis Logistics Vitesse (GLV), thus accelerating its growth as a one-stop logistics service provider. Over the last few years the company shifted from wholesale trading to a customer-focused partnership. GLV largely thanks this evolution to the replacement of their existing infrastructure by an integrated ICT solution. GLV realised the development of an efficient information system tailored to the different activities of the group plays is crucial in controlling physical and documentary flows. Recognizing that their system was incapable of coping with their rapid growth GLV turned to DCS for a complete and modular ICT solution.

Fast implementation

They bought the complete DCSi.Logistics modularly built package in 1999. It included land, sea and airfreight forwarding, warehouse, duty and documentation management as well as EDI and tracking & tracing. Most of the existing software, like the financial software) was kept, but required the development of interfaces with the new DCSi.Logistics package. Everything was implemented off the shelf at 7 business units between August 1999 and 1 January 2000. In the course of 2000 the system was fine-tuned, so that by the summer everything was running as intended.

The most significant gain of DCSi.Logistics is its complete data integration. This way, when a customer has an export shipment from a factory in China, which needs to be imported through GLV's Dutch warehouses, but with Munich as its final destination, the receiving office has to enter the shipment only

once into the system. From then on the file is transferred automatically from office to office, depending on the status of the shipment.

Performance reporting

Customers today are increasingly demanding performance levels, reporting, tracking & tracing and cost reduction. These can all be facilitated and acknowledged by the new Webtr@ck module. The module's advantage is that it covers more than just web-enabled shipment status reports. Through the GLV website a customer can browse for event management, a messaging tool, web-based order entry, e-fulfilment and invoice enquiry. For a number of customers GLV can now collect shipment status information on a daily basis by telephone, SMS, e-mail and satellite. This information is then summarised and send as a daily report to the customer. A monthly performance report is completing it thereafter. For GLV, Webtr@ck is a perfect tool to largely automate this process by turning data into information.

One supplier

GLV now chooses to work with as few ICT suppliers as possible, enhancing a full integration into the existing system for new applications. Webtr@ck, for example, which is also a DCS product, gives a direct availability of the information from DCSi.Logistics. Because their customers insist on receiving correct information, GLV has also implemented DCS in other business optimisation projects."

Breaking news

Major new contract for DCS Transport and Logistics Solutions with APL Logistics.

DCS Transport and Logistics Solutions has signed an agreement for a major pan-European project with the global logistics provider APL Logistics (APLL), a wholly owned but separate subsidiary of the Singapore based NOL group.

The project, known as the European Operating System (EOS), will utilise the DCSi.Logistics suite of software as the core to a common operating solution for APLL across its European offices. The selection of DCS followed a rigorous evaluation process during which time APLL found that the core attributes of both DCS and their product, DCSi.Logistics exactly matched the company's requirements.

APLL operates in 55 countries around the world and creates end-to-end, time-definite, information based services for global manufacturers and retailers, offering them complete global logistics and supply chain solutions.

DCS@Work

DCS@Work is a quarterly newsletter bringing you more information on the products and services of DCS Transport & Logistics Solutions. .

If you are interested in receiving more details on our products and services or would like to contribute an article to this newsletter, please contact:

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