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# The future of logistics depends on key elements

DHL recently showcased the key trends that could impact the logistics industry in the next five to ten years, at an event held in Sandton, Johannesburg.



Source: pixabay.com

Professionals from the technology, engineering, energy, life sciences and financial services sectors attended the event and were able to interact directly with some of the groundbreaking technologies coming out of the Deutsche Post DHL Innovation Centre, were showcased.

Speaking at the event, Denis Niezgoda, DHL Customer Solutions & Innovation said, "We grow into future logistics verticals by partnering with think-tanks and academia, industry giants and start-ups alike, to incubate ideas and invest in new business models, catalysing business transformation."

Among them, new internet of things (IoT) sensors, enabling connected processes that ensure end-to-end visibility; the Effibot – a collaborative follow-me robot assisting employees in their picking tasks and sensor technology examples such as low-cost dimensioning sensor technology which can dimension any object within seconds, removing the need for time-consuming manual measuring processes using measuring tape or existing but expensive industrial dimensioning systems.

Hennie Heymans, CEO DHL Express sub-Saharan Africa, says that digitalisation is driving transformation in the logistics sector, making innovation more important than ever before.

"Our 2018/19 Logistics Trend Radar acts as a roadmap for innovation, helping to catalyze further industry-leading research and projects together with our customers and partners. In this edition, we have a strong focus on the digital revolution currently taking place in the industry, and its impact across four key elements defining the future of logistics: customercentricity, sustainability, technology and people."

### **Customer centricity**

Customer centricity will be key to deliver on customer demands for a faster and more convenient logistics experience, says Heymans. An ever-increasing amount of goods that can be purchased online – especially in the B2B market, is driving the need for B2B omnichannel logistics solutions.

He adds that customer demand is also driving growth in direct-to-consumer shipments of time-and-temperature sensitive goods. "This Fresh Chain will require new innovations in packaging, storage and delivery of goods, such as groceries and pharmaceuticals. A key area for innovation in the last mile will be the integration of logistics services into smart home environments captured as the trend of Connected Life.

#### Sustainability

Sustainability will become a mandate to operate in the logistics industry, as governments, cities and solution providers commit to sweeping agreements to cut down on CO2 emissions and waste. "DHL for example, has committed to becoming emissions-free by 2050. Green Energy Logistics – the electrification of logistics fleets and facilities – provide huge potential for logistics to become more environmentally friendly. Smart Containerization in transportation will also be important in developing environmentally friendly formats for delivery in congested cities," he says.

#### Technology

Technology will become widespread in logistics as the cost-performance-ratio tips for key trends such as Internet of Things (IoT) and Artificial Intelligence (AI) in the next years. One trend that can accelerate this is the spread of next-generation wireless networks that can significantly increase the economics and value derived from connectivity in the supply chain, explains Heymans.

He notes, "Another trend highlighted in this edition is blockchain where there has been a lot of hype and promise for the technology, but achieving industry buy-in may prove a significant hurdle to adoption."

#### People

People will continue to remain at the heart of logistics, even though the trend of robotics and automation as well as software automation, will redefine the structure of the logistics workforce in the future.

"Highly repetitive, physically intensive tasks will be aided by technology, enabling people to do more meaningful tasks that require management, analysis and innovation. Digital work concepts will be required to attract and retain millennial talent in logistics as well as to support the existing, aging logistics workforce," he says.

"We know from experience that the impact of some trends will not materialize. That's because some trends rely on culture and capabilities as much as they rely on breakthrough technologies and business acumen. This is why we need to actively engage on driving the development of these trends," said Heymans.

The DHL Logistics Trend Radar 2018/19 is available for free download at www.dhl.com/trendradar

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