

CORDSTRAP INSIGHTS

ON CARGO SECURING FOR THE FOOD & BEVERAGE INDUSTRY



Turning the post pandemic
recovery to your advantage

cordstrap



The agility demonstrated by food and beverage logistics and operations teams around the world in the last 12 months has been nothing short of phenomenal. Now, as vaccination programs escalate, there is real hope that we will get back to normal. Although there is still much debate as to what that “normal” will look like. Will behaviors triggered by lockdown be sustained? To what extent will old behaviors re-emerge?

Whatever happens, everyone operating food and beverage supply chains will have to continue to improve their agility levels to leverage new global opportunities as they emerge. Efficiencies driven by the pandemic will have to be sustained and improved upon, to protect or increase margins in what promise to be more challenging times.

In this edition of Cordstrap Insights, we examine:

- The role of automation and heightened visibility in driving logistics efficiencies.
- The impact of Brexit and shifting attitudes to trade tariffs.
- The importance of Health and Safety procedures in a fast-moving world.



4PLs, digital tech and visibility: a great combination, but only if safety and security is not compromised for cost.

As the pandemic brought severe disruption to many supply chains in 2020, many companies realised that they didn't have the resources, personnel, or computing infrastructure to deal with the challenges.

While smaller companies, with lower budgets and less complex supply chains turned to 3PL providers, larger companies had to look elsewhere. They needed sophisticated digital technologies and streamlined supply chain processes to help them survive.

And that's why so many multinationals are now handing over control of their supply chain to fourth party logistics (4PL) providers. Using digital technologies such as big data and cloud computing allows them to maintain visibility over every link in the supply chain.

The trend to 4PL was already underway before the pandemic struck. A study by The Insight Partners valued the 4PL market at over \$56 billion in 2019 and predicted it to rise to \$78 billion by 2027.¹ But the pandemic has prompted increasing numbers of larger companies to turn to 4PL providers to act as their logistics department, handling matters such as order management, legal compliance, warehousing, and supplier management and leaving them to focus on their core business.

Meanwhile their 4PL partners can help minimise costs by resolving weaknesses in the supply chain and finding the best solutions for the lowest price. This approach is particularly attractive to the food and beverage sectors, with their wide-ranging and complex warehousing and transportation requirements.

While cost cutting and efficiencies are a key goal, 4PL providers must safeguard the security and specifications of all logistics processes. Standardizing best practice across all subcontractors and 3PLs servicing the business is essential to maintain quality and protect the client's reputation on the ground. We work with both 3PLs and 4PLs to ensure that their cargo protection operations comply with regulations and meet the same high standards of efficiency and safety wherever they are in the world.

¹ www.theinsightpartners.com

Does automation have its limitations?

Risks of workplace infections and labor shortages during the pandemic reinforced the advantages of automation. Investment in automating logistics, especially warehousing, had been steadily gathering pace prior to the pandemic but this was turbocharged in 2020.

Automated warehousing facilities have huge potential to improve productivity and turnaround times. Robotics can ensure that inventory is stored with maximum efficiency utilizing every inch of warehouse and minimizing wastage. However, automation also requires massive levels of capital expenditure.

To maximize the ROI on that investment, it is important to work with expert partners so you fully understand what robotics and automation can, realistically, achieve and where well-trained humans still offer a better, more practical solution.

Establishing the best ways to integrate human activities successfully with automated ones is critical. To deal with the massively heightened flowthrough that automation creates, operations like cargo securing need to become faster, and more efficient. Staff must be trained to know precisely what techniques to use for different loads and packaging and machinery must be programmed to deliver shipments in precisely the right format for loading.





Global trade frictions continue – increasing the likelihood of inspections and delayed or refused cargo.

The transitions required in a post-Brexit world are proving more difficult than hoped, with significant drops UK imports and exports in early 2021, most notably for the food and beverage sectors. It reinforces the need to improve both visibility and automation to speed up the flow of goods between one regulatory area and another.

But automation will not completely remove friction at borders. Tariffs and regulatory changes will continue to be made by countries attempting to protect their economies from the worst impacts of globalization. The trade wars that Donald Trump started have not ended with his departure from the Whitehouse. With China's economy rebounding faster than most other nations following the crisis, there will continue to be protectionist activities around the globe.

As we have seen with Brexit, this will increase the likelihood of inspections. To avoid a quick inspection turning into a costly delay or rejection, it is vital that shipments are properly packed and secured in line with both IMO and local regulations.

Health dominated last year's news but now's the time to add safety to the agenda.

The 28th of April is the ILO's World Day for Safety and Health at Work. This year they are looking to raise awareness and stimulate dialogue on the importance of creating and investing in resilient Occupational Safety and Health (OSH) systems. It is something very close to our hearts at Cordstrap and we have spent many years protecting not just cargo, but everyone who works with it. Typically, food and beverage shipments are heavy and loading and securing them correctly is critical to the integrity of the container and the way it handles during transit. Poorly secured cargo can also pose a real risk to anyone opening the container during, or at the end of its journey.

Part of your OSH policy should be periodic checks that everyone operating across your supply chain fully understands precisely how loads should be restrained and secured in line with company policies and international regulations. There should also be a routine inspection regime for containers and anchorage points. And it's important to communicate regularly with your whole supply chain to ensure everyone understands the standards required. We'll happily provide materials and support to help you implement this. With a global network, we can support your supply chain wherever it extends.



Safe, secure, reliable cargo protection in an unpredictable world.

With new levels of automation, technology and digital visibility transforming the ways that logistics are operating, it is important to keep your feet on the ground and your cargo in the right place. At Cordstrap, we engineer sophisticated cargo protection solutions to deal with basic laws of physics and those remain fundamental to your operations however they are managed. One of our greatest strengths is our international support network which will ensure that, no matter where your supply chain goes, you know it will be safe and secure.

- We engineer innovative, cargo protection solutions designed to protect any load type on any modality across the world.
- These can all be tailored to match specific cargo and packaging types.
- Our strapping systems and dunnage bags have been designed to be simpler and faster to apply saving time and labor while delivering unparalleled strength and security.
- Our Cargo Monitoring service enables our customers to know what is happening in their container from the moment the doors are closed to when it arrives at its destination.
- Our market-leading moisture control solutions deliver the most effective absorption rates currently available.
- As the world's only truly global cargo protection specialist, we are in a unique position to support you as you deploy new supply chain routes.
- Our cargo protection solutions are all CTU code compliant and have won the approval of the world's leading regulators and insurers including: Germanischer Lloyd, the IMO, Mariterm AB, Eurosafe and the Association of American Railroads (AAR).



MariTerm AB



Food and beverage supply chains remain the most important on the planet and we go out of our way to protect them for you. To talk to us about how we can rise to the challenges of the post pandemic recovery, get in touch.

Cordstrap Netherlands B.V.
Nobelstraat 1, 5807 GA Oostrum, The Netherlands
Tel: 0031 (0)478 519000

www.cordstrap.com

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