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Time Critical

Delivering Where Minutes Matter

A fire destroys the Czech factory of a key automotive supplier. Automakers scramble to get other suppliers to step into the gap, lest their own factories be shut down for lack of parts and their profits go up in smoke.

Just-in-time supply chains have become ubiquitous, saving companies money on warehousing and reducing inventory levels. But when a wrench is thrown into the works of such a finely tuned value chain, costs can mount quickly and customer loyalty can dissipate just as fast. The number of automotive supply chain disruptions globally rose 30% in 2017 from a year earlier, according to insurance broker JLT Specialty. Backup plans are essential to resilient supply chains, and that includes nimble logistics providers who can provide solutions at a moment's notice —Time Critical service.

“The driver for Time Critical in today's world, with very lean supply chains and inventory reductions, means companies need robust solutions behind them in case there are any disruptions in the supply chain,” says Tony Gunn, executive vice president for freight forwarding at GEFCO, the international logistics giant.

One of GEFCO's customers, a French automaker, may have relied primarily on the Czech factory that burned for special components, but it also had relationships with other suppliers. The challenge was to scale up deliveries — immediately, but also over the longer term — in order to continue production. Halting an automotive production line is expensive — a 2006 survey of 101 automotive manufacturing executives conducted by Nielsen Research for industrial maintenance company Advanced Technology Services, found the average cost was US\$22,000 per minute.

GEFCO assembled an international team to get parts on chartered planes in a matter of hours. GEFCO's customer, the automaker, turned to a secondary supplier in Ningbo, China. However, the fire occurred over the Chinese New Year, when the country mostly shuts down for a week. Customs offices were closed at airports except for skeleton two-hours-a-day service in Shanghai. Plus, the parts needed alterations, which would be done in Germany. Thanks to 24/7 contacts around the world, parts were delivered along this redesigned supply chain solution to France seven days a week, with more than 1,000 air shipments until the main supplier was back online.

“We have set up a Mission Control Centre where we have the people and digitalised products ensuring there's a robust network that can supply a solution anywhere in the world today,” Gunn says.

Time Critical services are not just about business to business, Some Time Critical projects are life-changing. A UK wedding agency, reached out to GEFCO

to deliver a one-of-a-kind wedding dress from Sydney by the next day for a key customer. “Within 90 minutes of the call, we had a courier at the store to pick up the dress,” Gunn says. To navigate rush-hour traffic, the courier hired a scooter in order to make the first flight to London, where another courier took over white-glove delivery to the delighted bride.

“Minutes can matter,” Gunn says. “If you miss a flight, sometimes it can take 48 hours instead of 24. With something like a wedding dress, you don't get a second chance.”

Other Time Critical assignments are life-saving. Humanitarian relief organizations partner with GEFCO, such as in the Yemeni civil war and the Ebola crisis. Pharmaceuticals require special handling—not only are they time sensitive but they also are sensitive to even small changes in temperature. They must be pre-audited so they don't sit on an airport tarmac in heat or cold. They must be secured from tampering, theft and counterfeiting as well. GEFCO's Tracy smart speaker allows Time Critical customers to trace their shipments in real time, without the need to access apps or logon to system. This solution is a first for innovation track and trace within the industry.

“Pharmaceuticals have different pressure on them than other Time Critical items,” Gunn says. “It's not just time but also how you pack them in temperature-controlled environments.” GEFCO is certified for “good distribution practice,” or GDP, which lays out standards to ensure medicines move safely through the supply chain.

A crisis like Ebola presents logistics problems on many levels. For patients, getting to health facilities can be a challenge in itself. Remote communities in the affected countries have only bare-bones clinics, and patients may live far even from these. For Humanitarian Relief organisations and the World Health Organisation, learning of outbreaks can take far too long because of lack of communications infrastructure. Once alerted, however, these organisations deploy professionals and medicines quickly because with Ebola every minute matters. The environment is challenging: commercial domestic flights might not exist, requiring charters to airfields with dirt runways, and overland transportation is slow on poor roads. Some Ebola-afflicted areas, such as North Kivu province in the Democratic Republic of Congo, also are conflict zones.

“We are very proud of our work for these organisations, partnering in their fight to save lives,” Gunn says.

GEFCO acts as the calm conductor of an orchestra of many logistics players, in the eye of a storm of diverse crises. Such work takes a special personality. “They never say they can't do something,” Gunn says of his colleagues. “There's always a solution. People are making sure it gets there in time. It's the human touch in a digital world.”

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