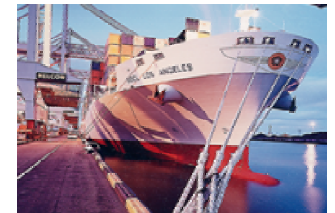


Rail – the solution in the logistical chain?

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Rail – the solution in the logistical chain? A few observations (1).

■ Observation 1

- **Already in 2000, more than 50 percent of the total procurement volume of European manufacturing industry came from overseas.**
- ***And the rate is growing as a result of: globalisation of markets, converging economic environments as well as new and highly complex divisions of labor.***



Globalisation

Rail – the solution in the logistical chain? A few observations (2).

■ Observation 2

- Logistics expenses (packaging, storage, transport, inventories, administration and management) can amount to as much as 30 percent of sales revenues, depending on the industry.
- Lowering these costs will make a company leaner, more flexible and therefore more competitive.
- Optimizing supply-chain management e.g. can *raise productivity* by more than 30 percent.



Optimizing supply
chain management

Rail – the solution in the logistical chain? A few observations (3).

- **Observation 3**
 - **What business wants today is not just conveyance of loads from A to B, *but complete package solutions* including warehousing and storage, logistics and multi modal transportation.**
 - **Companies are looking for partners**
 - **who can provide the full range of services they require,**
 - **and who, in addition, possess the know-how to support the management of industrial processes sited in entirely different locations.**
 - **Concentrating business with a single competent logistics partner brings complete outsourcing within reach.**



**Complete package
solutions**

Does these observations match with your trade?

- In general; yes.
- What is more, we see specially in the chemical industry the following trends:
 - Increase focus on value added tasks by using technology to enhance many of the manual processes in the transport execution cycle to reduce costs and free up resources to focus on the more value added areas of the business
 - Decrease operational costs by improved data capture, such as on-time collections, on-time deliveries, reasons for error, short shipments and delays, gives far greater control over both internal operations and logistics provider performance.



How about the
market for
chemicals?

Cost drivers in logistics and transport at the European continent.

- **Cost drivers are mainly related to:**
 - **Transshipment facilities (e.g. discharging and loading capacity)**
 - **Transport**
 - **Other related (mostly administrative) processes (e.g. custom regulations, consignment notes)**

- **What developments in these cost drivers are of importance and can be used to optimize costs?**
 - **Liberalization of rail transport**
 - **New infrastructure, e.g. Betuweroute**
 - **Supply chain management**
 - **Web based solutions**



Cost drivers in the supply chain.

Rail – the solution in the logistical chain?

- **Against the background of EU rail-freight traffic liberalization and the step-by-step alignment of technical systems, rail is becoming rapidly a very competitive and reliable partner.**
- **In 2007 there will be free access on the European continent and cabotage is allowed.**
- **But what is more: under the Stinnes flag, Deutsche Bahn has united rail, road, air and water traffic systems – backed A-Z know-how in logistics – into a totally new, integrated, high-performance logistics service enterprise.**



**Building up an
integrated logistics
service enterprise**

Rail – the solution in the logistical chain?

- Rail offers the chemical industry some interesting advantages compared to other modes of transport:
 - It is a sustainable mode of transport
 - It is free of congestion
 - It has a high safety level based on a combination of robust equipment, intelligent procedures and well trained people
- For an European player as Stinnes it is of utmost importance to get connected to the new generation of web based supply chain management solutions; simply because we want to be only ‘a mouse click’ away from our customers.



Implementing web based solutions.

DSM offered us the chance to be the first European railcarrier to implement the new generation supply chain management tools (1).

■ **DSM, a world leader in chemical specialities, and Railion are co-operating for a long time. Railion, the in house rail carrier of Stinnes, offers DSM:**

- Wagon load transport with domestic and continental destinations (e.g. Germany, France, Italy, Switzerland, Finland)
- Full train loads
- On site logistics, e.g. shunting activities and internal rail transport



**DSM a world leader
in chemical
specialities**

DSM offers us the chance to be the first European railway undertaking to implement the new generation supply chain management tools (2).

- **DSM has chosen Transwide as standard solution for the exchange – real time – of information between customers, logistic service providers and carriers because of:**
 - **Enhanced visibility to end customers**
 - **Reduction of operating costs**

- **For Railion, Transwide offers a lot of advantages:**
 - **Improved customer service**
 - **One to many connection**



**Transwide:
a win – win
situation**

Current functional specifications

- proces overview -

- **DSM/Transwide provides Railion with a 'planning CIM' / Calloff**
- **Based on this Calloff the Customer Service Center of Railion reserves capacity for their customer and organize the transport**
- **Capacity consists of wagons, slots, traincapacity, shunting - and driver resources.**
- **After loading DSM/Transwide provides Railion with a 'execution CIM'**
- **Railion picks up the wagon(s) from the (un)loading point and carries out transport**
- **A paper version of the CIM is still included with the wagon(s) for legal and safety reasons**



Now and in the future.

- **Transport orders of DSM/ACN flow via Transwide into planning system of Railion.**
 - First experiences are very promising. Better quality, reducing manual processes.

- **Railion has ordered 500 new electric locomotives for borderless transport throughout Europe.**
 - All these locomotives are equipped with GPS.
 - Drivers will use hand held terminals.
- **It is our ambition to offer the Transwide solution in the near future to all our customers in the Chemical industry.**



**Transwide:
a win – win
situation**