

Lars Nielsen - Managing Director, Hellmann Worldwide Logistics Saudi Arabia



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Lars Nielsen of Hellmann Worldwide Logistics Saudi Arabia shares his insights on the rapid growth and transformation of the logistics sector in the Kingdom. With over 30 years of experience in the industry, Nielsen discusses Hellmann's strategic priorities—particularly in the healthcare vertical—and highlights the evolving role of digital technology and sustainability in shaping the future of logistics in Saudi Arabia.

Could you please introduce yourself and provide more details about Hellmann Worldwide Logistics' operations in Saudi Arabia?

I am originally from Denmark and have nearly 30 years of experience in the logistics industry. I briefly lived in the United States before moving to the Indian subcontinent where I spent seven years in India and Bangladesh in various roles. For the past 14 years, I have been based in Saudi Arabia, which I now consider my second home.

Hellmann Worldwide Logistics has been operating in Saudi Arabia since 2013, starting with a small office in Jeddah with just three employees. Today, our local team has grown to nearly 200 employees across 10 locations, including both offices and warehouses. We also operate a rapidly expanding fleet with about 50 trucks deployed across the country.

Our business has two main components: international freight forwarding and contract logistics, which includes warehousing and national distribution. Both of these units are driven by vertical specialization. A key area of focus for us, both in Saudi Arabia and globally, is the healthcare vertical. This sector plays a crucial role in our operations, particularly in local contract logistics, but also in international trade.

While Saudi Arabia is not one of Hellmann's largest global markets, it is a critical market for us, especially in the healthcare sector. We have significant healthcare operations here and expect this sector to see substantial growth in the coming years, particularly in Saudi Arabia.

Saudi Arabia's logistics sector is undergoing a major transformation under Vision 2030 with significant investments in infrastructure, digitalization, and sustainability. What are the most significant trends shaping the industry today in the Kingdom and how are they influencing supply chain operations?

There are many trends shaping the logistics sector in Saudi Arabia, with one of the most significant being the complete transformation of the entire ecosystem with initiatives such as the new Master Plan for Logistics by MoTL, various regulatory changes and the National Industrial Development and Logistics Program just to mention a few. Each component of the Kingdom's logistics sector is being carefully analyzed, upgraded, and aligned with global best practices. Instead of making minor adjustments, both the private and public sectors are redesigning their operations from the ground up to create a more efficient and modern logistics landscape. This approach is unique and presents both challenges and, more importantly, significant opportunities.

Another key trend is the growing focus on private-public partnerships and collaborations between local and international companies. These partnerships are crucial for Saudi Arabia to build the level of expertise and competency needed to achieve the ambitious goals of Vision 2030.

What role do you see Hellmann Worldwide Logistics playing in contributing to the Kingdom's growing logistics landscape?

I believe Hellmann Worldwide Logistics plays an important role in shaping Saudi Arabia's logistics landscape, both as a first mover and a trusted advisor. In this country, companies like ours are actively listened to by various regulatory bodies and ministries, which is quite unique. The government's willingness to also involve the private sector in shaping regulations and framework

agreements presents a valuable opportunity for us to contribute to the country's logistics transformation. By leveraging our operational expertise, we can help ensure that regulations are not only sensible but also practical and achievable on an operational level.

To what extent does the regulatory transformation happening under Vision 2030 create challenges in maintaining compliance and what specialized services do you offer to support industries with strict logistics requirements, such as healthcare?

The Healthcare vertical is absolutely critical for us in Saudi Arabia. We are fortunate to be in a position where we specialize in multiple verticals, with some being stronger than others. In Saudi Arabia, we are particularly strong in exactly the industries which are undergoing the most significant transformation, which also includes automotive, so combined with with the rise of electric vehicles, and industrial manufacturing, which aligns well with the "Made in Saudi" initiative you can definitely say that Hellmann aligns very well with Vision 2030.

Regarding compliance, the Saudi FDA is becoming much more mature and its standards are now being enforced to a greater extent than what we saw in the past. Nevertheless, we have always aligned our quality management system with the international standards of our customers, particularly in the pharmaceutical sector. By meeting the GxP regulations of global pharma companies, we automatically meet the SFDA's requirements.

In healthcare, compliance is primarily related to temperature and cold chain management. We transport and store goods across all temperature ranges, utilizing both passive and active packaging solutions. Additionally, we manage highly specialized, tightly regulated controlled drugs. Our value-added services include labeling, kitting, and aggregation, with Saudi Arabia being one of the first countries to implement aggregation operations.

However, all of this is governed by the most crucial aspect of healthcare logistics—quality assurance. It is not enough to simply handle products in accordance with regulations. Instead, we must plan and document every minor action we take and record and prevent all deviations—no matter how small. Our clients choose us because we ensure the highest level of quality assurance and regulatory compliance in every aspect of our operations.

Technology and digitalization are rapidly transforming logistics. How is Hellmann Worldwide Logistics leveraging digital solutions to improve efficiency and customer

experience?

We aim to lead the pace of digital transformation in various areas of our business. For example, in our warehouse operations, we are currently upgrading our warehouse management system to the latest version. This system, which we have used since the beginning, has undergone continuous improvements, but this latest upgrade is groundbreaking. One of the most significant changes is the enhancement of reporting and dashboards, providing a new level of digital customer experience.

In the pharmaceutical sector, our WMS is GAMP5 validated, making it one of the few systems in the world to meet this standard. This is part of our quality culture in healthcare logistics, where it's not only our processes and facilities, but also our IT systems which are becoming increasingly specialized and healthcare compliant. Additionally, we have recently implemented digital Corrective and Preventative Actions (CAPA) solutions which are directly tied to the healthcare industry and our overall quality culture.

Digitalization touches many aspects of our operations. For instance, we have introduced "smart visibility," which elevates tracking and tracing by incorporating temperature, light, and vibration monitoring. We are also enhancing route management, risk management, and SOP tools through digital solutions. Beyond these, we are exploring AI and automation to further improve our operations. As a company, we embrace how digitalization is transforming virtually all areas of our business, enabling us to provide better service and enhance efficiency for our customers.

As the current major disruptor of most industries, to what extent is AI being integrated into Hellmann Worldwide's operations?

AI is certainly becoming an integral part of almost every aspect of our daily operations, from the shop floor to the boardroom. It is essential to consider AI when developing our strategy, but it can also be a bit challenging. You often find yourself wondering if you have overlooked something as the full potential of AI is still not entirely obvious. There is always the possibility that something could be done better. As part of our digitization strategy, we are exploring AI and have already implemented various tools to enhance our operations. I believe the opportunities are endless.

We embrace this AI exploration through continuous improvement, which is a key element of our operations. AI plays a significant role in pushing the boundaries of these internal developments. In today's world, what may be groundbreaking today could be outdated tomorrow. Each day brings

the potential for better solutions, so we must remain committed to pushing the boundary of how we can utilize AI to help continuously enhance our operations.

What are your key ambitions and strategic priorities for Hellmann Worldwide in 2025?

Growth is our primary focus and we are in an excellent position to experience significant expansion. The growth figures in Saudi Arabia are much higher than in many other parts of the world, and this growth is occurring in strategically important verticals with healthcare being the top priority in Saudi Arabia. We are pursuing growth both horizontally and vertically, as well as organically and inorganically.

Our mission in Healthcare Logistics is to keep “transforming the market and impacting lives”. Our key ambitions and strategic priorities are not just about financial growth or increasing volumes—there are lives involved at every stage of the Healthcare logistics chain and that is what truly drives us forward.

Sustainability is a key focus across many industries globally. What steps is Hellmann Worldwide taking in the logistics sector to address increasing sustainability expectations?

When we engage with our clients, especially healthcare companies, we recognize that they have their own sustainability targets, so we take part in those ambitions. For Hellmann to remain relevant and competitive, sustainability will remain a key pillar of our strategy going forward . It is a minimum requirement for us to participate in tenders, with customers expecting us to demonstrate concrete actions toward sustainability. Without this, we are excluded from the process.

In Saudi Arabia, the sustainability ecosystem is still developing compared to other regions, but it remains a top priority for us. We have sustainability experts involved in our strategic discussions, ensuring that it stays high on our agenda.

Given the competitive labor market in Saudi Arabia, how do you approach talent recruitment, development, and retention as the need for specialized skills remains a priority?

Our approach begins with recruitment. We focus on hiring individuals who are genuinely interested in a logistics career and aligned with Hellmann's core values. Hiring the right people is crucial—if we hire the wrong individuals, no amount of training will make up for that. This is a process we continuously fine-tune. While we may not get it perfect every time, we are steadily improving our ability to find the right teammates. For example, I believe it is important for candidates to make clear demands from the beginning. Too often, people express excitement about a company's values during the hiring process, but after just a few months, their values may not actually be aligned.

For staff retention, the key factor is company culture rather than training. When employees align with our strong culture - the Hellmann Promise - , they are more likely to stay—even if another company offers a higher salary. However, attracting and retaining talent has become a challenging issue and good employees, especially local talent, are increasingly becoming a highly sought after commodity. Not long ago, it was common for people to stay at a company for three to four years, but now we sometimes see individuals move every few months.

What final message would you like to deliver to the international healthcare and life science community regarding the logistic opportunities of Saudi Arabia?

Having spent so much time in Saudi Arabia, it has truly become a part of my heart. For those reading, if Saudi Arabia is not already on your radar, I would say it should be. If it is, then I encourage you to come and visit as soon as possible. You really need to experience the scale of the transformation happening in the Kingdom and understand the vast opportunities that are emerging. Once you are here, feel free to reach out Hellmann Worldwide Logistics; I would be happy to introduce the opportunities of Saudi Arabia to anyone interested.

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