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The best way to achieve an even better reputation is through obtaining international certifications

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Thibault Janssens, managing director of Bolloré Logistics Korea, shares his expert opinion on the Asian logistics market, and explains how a constant customer-centric focus catering to the specific needs of the pharmaceutical industry has contributed to his firm's success. Janssens also highlights the potential environmental impact of the logistics industry and his long-term vision.

How does Bolloré Logistics Korea cater to the needs of the pharmaceutical industry?

Many years ago, after listening to some international pharmaceutical companies which were importing products into Korea through Bolloré Logistics, we noticed that they were encountering some quality assurance issues related to the local storage and distribution and therefore we realized the necessity to further enhance our service offering to the pharmaceutical industry. At the same time, chaebols anticipating the end of the cycle of their dominance in high-tech products were looking for new engine growth. Realizing the potential of the biopharmaceutical industry, they have been investing heavily in R&D and manufacturing capabilities to penetrate the global healthcare market as quickly as possible, applying the same methods which proved successful so far to other industries. Moreover, some years back, the Korean government made as well the development of the healthcare industry a key pillar of its strategy to fuel the future growth of the country and answer the growing healthcare needs of an ageing population.

In order to cater to the needs of local and international pharma companies, we did strengthen our internal healthcare organization and had the quality of our services recognized by an external certifying body. As a transport service provider, building this immediate quality recognition from the market can sometimes be slow because our offering is intangible. We can, of course, show our general KPIs and other quality business reviews, but that does not really consist of a test of the quality of our services for future potential customers. Therefore, the best way to achieve an even better reputation is through obtaining international certifications. Last year, we did achieve a milestone by being the first transport and logistics company in South Korea to independently achieve the International Air Transport Association (IATA) as Center of Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma).

As part of the Bolloré Logistics group values, there is the pursuit of excellence. Therefore, we are constantly looking for continuous improvement and growth, and having an external neutral body assessing the quality of our services has given us the chance to work on the area where we could do better.

What changes have you put in place to receive the CEIV Certification and answer the needs of pharmaceutical companies?

It is always the question of putting oneself into question on a regular basis and looking to readjust or to re-invent oneself due to the changes in the environment.

We had to review all our internal processes to assess whether there were any gaps and look for potential future issues. Our regional office, centralizing some very specific Healthcare expertise, assisted the Korean organization. Our group pharmacists came from Singapore to train the Korean teams and we hired our own pharmacists here in Korea. It has truly been a whole company project, supported by the whole Korean team, allowing us to not only demonstrate the quality of our services to our already-existing customers, mostly European pharma companies but also to new potential Korean customers.

The healthcare industry has always been very conservative because any operational change is always a potential risk, more so than in any other industry. Being CEIV certified shows the industry that we have the same concerns and that we speak the same language. This is the message we have been sending during the many events we have attended in the past few years in Seoul such as CPhI.

Focusing on the healthcare industry, we have recently developed our Internet of Things temperature control device and the feedback from our customers was positive. We believe that visualizing/assessing the temperature of shipments in real time is not the future anymore but is the present.

What has been the impact on your business since implementing these changes?

The response from the pharmaceutical industry has been outstanding. Usually, when we attended healthcare events, we raise a lot of interests from potential business partners. During or after these events, we gained interest from local companies looking for alternative solutions, screening all the different options to find the right partner to export their products. Although many European and American pharma companies have been importing in Korea for a long time, Korean chaebols have just started more recently building their international pharma operations. We felt we could create value for them and fulfil their needs by bringing quality solutions and by doing it the Korean way: quick, reliable and price competitive.

Being the first company in Korea to be CEIV certified allowed us to build a unique positioning in the market, giving us a competitive advantage not only to attract potential new customers but to further strengthen our relationship with existing ones.

The fact that we were the first ones to have the quality of our internal operations recognized has allowed us to grow our pharma operations from 15 to 20 percent of the overall business. In a few years, we expect to reach 25 percent.

Apart from the pharmaceutical industry, what are your other main markets?

Our business in Korea is mostly focused on highly demanding industries such as luxury, cosmetics, fashion and aerospace. When it comes for example to transporting aerospace assets, possible consequences due to damages or lack of security can be fatal, just like in the healthcare business. In order to prove our expertise, we are finalising our aerospace certification this year, the AS9120. Again, no company in Korea is AS912 certified, so we are again at the forefront. This pioneering spirit is part of our DNA and what makes us different. We are a flexible medium-sized company, and our goal is to differentiate ourselves from the top 3 big players, where one more or less customer, does not have the same importance, as it is for us.

One of our main focuses in Korea has been increasing our working relationships with chaebols, which represent around 65 percent of the Korean economy. If a company in Korea wants to grow, they have to work with these conglomerates, which is why we have been working a lot with some of the top 5 Chaebols for the past few years. These chaebols are following the same aggressive methods and strategies that made them successful in IT, automotive, entertainment and cosmetics which can be slightly disruptive for the healthcare industry. Still, they are growing fast, and I believe they will be as successful in healthcare as in other industries.

Our presence in Korea has been important for the group, and I am confident it will still be very important for the coming years, especially with regards to the healthcare sector. Since the early days in Korea, healthcare and cosmetic companies have been our number one customer. They have grown very fast and still have a lot of room to grow.

We are joining forces with a number of local Korean companies, sharing our global expertise to help them selling abroad, whether they belong to the healthcare, aerospace or cosmetics sectors. Their interest in exporting is growing more and more, and the Bolloré logistics group has obvious competitive advantages, especially when it comes to some continents like Africa, where we are the number one logistics operator.

What are your views on the trend in healthcare of using alternative channels of distribution?

In the past, timing was the most important aspect not only because of the products' shelf life but also because the longer it takes, the more problems can appear. However, a short transit time does not necessarily mean less risk. For pharmaceutical products, problems arise when the goods are manipulated, and whatever some players on the market can say, more manipulation is required through air transport.

In other industries, more and more companies do go through hubs such as Singapore. This hub concept has been developed actively for the past 20 years, and the healthcare industry is now following. I believe that being fast does not only depend on proximity but also on anticipation and proper preparation. Bolloré Logistics is offering now in Singapore a Regional ASPAC hub dedicated for Healthcare and it is growing more than our expectation.

The growing use of ocean transport in the Healthcare Industry has been one of the main changes in the last 2 years, especially for temperature control shipments under 2/8° and 15/25° such as

insulin and vaccines.

Sea freight is much cheaper than air freight despite transit times being significantly longer and much less harmful to the environment.

The benefit of sea freight transport is not only lower costs but also safer handling of the products compared to air freight.

As an innovated transformation in term of sea freight transport, we have started a new service of LCL (Less Than Container Load) which is going to be a “Game Changer” in the Industry. A multi-company hub cross docking under 2/8° and 15/25 temperature in Singapore which would ensure the quality requirements (GDP) of the pharmaceutical industry as well as sharing costs and space into containers.

A 7/25/365 monitoring and constant risk assessment combined with carrier quality agreements with ocean carriers has been implemented.

I believe right now a part of the industry is far advanced enough to go for intercompany consolidation.

In June 2019, Bolloré Logistics is starting this service from Singapore to the main destinations in Asia and is simultaneously establishing a European hub to Singapore.

Last year, the Bolloré group launched its “Powering Sustainable Logistics” plan with ambitious goals to reduce its environmental footprint. What are your thoughts regarding environmental sustainability?

Globally transport represents almost 25 percent of total greenhouse gas emissions. Emissions from cars do make up a big part of it, but still, trucks and air fleets have a great impact as well. Air travel is now the fastest growing contributor to Global warming. Sending cargo by plane has a substantially more impact on the environment than doing it by sea. Moreover, simply choosing the right type of aircraft can make a big difference as some aircraft consume twice as much fuel than others.

For many companies today, carbon footprint is a critical factor when considering different transport options. At Bolloré Logistics, we include the carbon footprint in our standard quotation, and we always recommend the less polluting options to our customers.

Public awareness of the impact that companies may have on the environment has been growing, especially among the young generation. In France for instance, 50.000 university students signed a manifesto saying they would never be working for polluting companies. In Sweden, a 16-year-old girl has been on strike for 30 weeks every Friday trying to convince all high school students to join her in order to urge world leaders to take the right immediate actions to protect the environment. Last year a study was conducted among the younger generation asking them what they thought was the main purpose of a company. Whereas most of my generation believe that the main purpose of a company is to make money, this new generation talks about improving society. This is a powerful statement. Today, it is no longer possible for a leader to only think about generating revenues without considering the potential societal impact of their actions.

There are business leaders around the world who understand the emergency and take into account now, the ecologic impact of their businesses.

How would you assess the awareness of environmental concerns in Korea?

I think that the awareness level about the environment will keep on growing in Korea, compared to other countries around the world committed to the COP21 and Korea will need to keep on actively working on strengthening its environmental regulations. In the logistics industry, as far as I can see, Korean companies do not all share the same level of concern about environmental impact. However, in Korea, things usually change very fast and I am convinced the situation will improve further very quickly.

What are the key milestones you would like to achieve in the next 3 to 5 years?

First, I would like to keep up the strategy we have followed for developing Bolloré Logistics Korea and remain or become a valuable and further recognized player in the healthcare industry. In terms of market trends, as mentioned before, I believe we will go from 20 to 25 percent of market share in healthcare. Second, I definitely believe that helping companies become more environmentally sustainable is critical to hand over a clean world to the next generations; also, thanks to Bolloré group strong values, the younger generation joining the industry, our company future leaders, will be able on their turn to create value. “Powering Sustainable Logistics” is not a marketing catch-phrase, it is something that all Bolloré Logistics team members do promote despite its related relative costs.

What have been your main learnings since you came to Asia, and specifically, to Korea?

The reason why I have been living and working away from home for so long, is because I have always believed in the strong benefits of cultural exchanges and promoting diversity. During my career at Bolloré Logistics, I have been posted in countries like Thailand, Indonesia, Hong Kong and Korea. I have learned that cultural differences can be easily overcome to achieve success as long as there is mutual respect, trust and a common willingness to grow together and reach new heights in terms of experience, knowledge and maturity. This is my driving engine and what motivates me every day. What is very specific to the Bolloré group, is that the average years of service for all the team members is very high, much higher than the average on the market, showing employee fulfilment and leading to customer satisfaction.

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