

Interview: Sugantha Natarajan Director, Healthcare, Asia Pacific, DB Schenker, Singapore



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DB Schenker’s director of healthcare in Asia Pacific, Sugantha Natarajan describes the

company’s presence across the region, while emphasizing the crucial need for localized solutions in specialized healthcare logistics. She also explains the company’s pivotal role in enhancing their clients’ value chains and elaborates on how industry players are able to leverage logistics as a competitive differentiator.

Could you start off by providing our readers with some insight into DB Schenker’s history and presence in the region?

DB Schenker has been in Asia Pacific—the fastest growing region for the company—for approximately 55 years, active in 20 countries from Pakistan all the way to New Zealand, with Cambodia and Myanmar as the most recent additions to our portfolio. Except for a few countries where we partner with exclusive agents, we’ve mostly established our own offices with comprehensive logistics network setup in each location.

3PL logistics is clearly a competitive industry, which is why we’ve seen many of the traditional box movers diversify into specialty logistics for industries such as healthcare and

life sciences. What type of value-add can DB Schenker provide in this space?

Indeed, it's not about moving boxes anymore—it's become much more commoditized. That is where our integrated services come in, which spans air, ocean, and logistics. It's certainly a buzzword that's been loosely thrown around the industry, but what we focus is on working collaboratively with our customers to achieve the same.

Rather than just investing in infrastructure, we aim to work hand-in-hand with our customers's strategies and proactively anticipate their supply chain needs to provide truly tailored solutions.

That is where our successes have been traditionally, not only in healthcare, but across all of our verticals—and that's where our competitive advantage lies.

How does the healthcare vertical align with the global organization's priorities, particularly in line with the ambitions set out in Vision 2020?

As a part of our vision for 2020, there have been two sectors nominated as focus verticals, one of which is healthcare. If nothing else, this displays the sheer importance that we place on healthcare when it comes to driving DB Schenker to greater heights—moving from good to great.

Personally speaking, healthcare a sector that touches all people's lives in some way, shape, or form—knowing that alone brings me unparalleled levels of satisfaction.

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From a corporate standpoint, this is an industry that requires a lot of focus and specialization, and is a niche exhibiting widespread demand and sustainable growth.

Healthcare is also rapidly growing worldwide, particularly here in Asia Pacific. Governments are increasingly seeking ways to enable healthcare to their citizens and overall improve their healthcare systems—be it a developing nation or a mature one. Consequently, you can't afford to take any risks in this industry solely because people's lives are at stake—and that's why, as a logistics player, this is an industry you simply cannot avoid.

Asia Pacific is largely characterized by rapid growth, widespread urbanization, and an unparalleled level of dynamism. For 3PL providers, what type of challenges do you have in keeping up with this pace of change?

Generally I don't like using the word challenges, and instead try to view them as opportunities.

In this part of the world, the only constant is change. And specifically within healthcare, innovators are the differentiators for success. Consequently, they're also the one scrutinizing their supply chains to maintain a competitive edge, also yielding added levels of regulatory compliance. This trend creates unique opportunities for companies like DB Schenker to provide specialized, consistent, and reliable services.

How have client expectations and demands evolved alongside this level of dynamism?

Traditionally, healthcare has been very risk averse. But now companies within this industry are becoming more open to ideas and best practices that can be brought from other industries.

More and more people from other industries are joining supply chain in the healthcare space. If you look at other industries, they're definitely ahead of healthcare in terms of the way supply chains are handled. It wasn't by choice that the healthcare industry stayed behind, but really on account

of regulatory and quality issues.

Currently, we try to determine how to best work with quality assurance teams more collaboratively, and see where we can improve efficiencies of the supply chain. But sheer willingness to partner with third parties is what's now starting to truly set in, mainly because healthcare is a cost-driven industry and competitive pressures are forcing players to see supply chains as a source of differentiation and efficiencies.

How has DB Schenker needed to innovate upon its service offering to respond these changing market conditions and shifts in mindset?

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DB Schenker has recently partnered with a German university to leverage big data as a medium to identify underlying trends, better anticipate our customers' needs, and ultimately optimize the type of services we provide—both in terms of quality and efficiency.

Whenever our customers have requirements, we aim to convert those requirements into a value chain, rather than a supply chain. We work with them to understand their problem statements—sometimes hosting intimate workshops to gain this insight.

From a solutions standpoint, we look at who their customers and what their KPIs are. It's more about what's driving them, and what even their customer requirements are; only after coming to these terms are we able to craft a tailored solution.

Your oversight covers a vast range of countries, varying largely in levels of income and wealth. How do you go about tailoring a strategy to effectively accounts for this discrepancy?

Asia Pacific is not an easy market exactly for the inherent level of disparity between the rich and the poor, the developed and the developing.

But the needs and qualifications of every country are completely different.

In Indonesia, you can become a be-all, end-all partner to the customer, contributing to all aspects of the business including regulatory, quality assurance, and government affairs. It's easy to only focus on traditional competencies such as warehousing, but that's simply not the approach that we've taken. That's what it takes to succeed in markets like Cambodia, Indonesia, and Vietnam.

Singapore, on the other hand, is a completely different ballgame. Here we're talking about how we can innovate, improve productivity, efficiency, where we can apply the Internet of Things, while also working with prominent government agencies such as the Economic Development Board (EDB) to bring more value to the overall system.

In certain countries we're now by far the leading provider of 3PL, and perhaps in the top three in others. But regardless, we hold a strong positioning in any country we operate in—whether that's China or Indonesia—because we work around the limitations and go beyond traditional 3PL by collaborating with broader supply chain stakeholders.

What is the significance of a small country like Singapore to DB Schenker as both a market and strategic hub?

Size doesn't matter—and Singapore is a classic example of that.

I see Singapore as not just a standalone country, but as an integrator to the Asia Pacific market. From a logistics standpoint, the nation serves as a pivotal gateway to the broader region—namely because of its efficiency, established infrastructure, and high caliber talent. Many companies establish and stabilize their operations here first, before venturing off into the frontier. Any other market would be tough otherwise.

When it comes to domestic consumption, however, Singapore does not offer the same level of prospects as its neighbors, so the focus is really leveraging the country as a springboard, now with most of our clients also categorized as regional HQs.

What will your priorities center on in the next three to five years?

We’re focusing on sustainable, planned growth.

Innovative, integrated solutions are my focus—determining what and how we can collaborate along our customers’ value chain. We will then have to focus inward on our capabilities to achieve that; specifically training and developing our staff members internally, while complementing our resources with outside talent such as pharmacists to maintain quality standards and generate added perspectives.

What factors have led you to maintain such a longstanding career in the healthcare logistics space?

Dynamism.

Personally, this segment of the business is very tangible to my day-to-day. Often times, people don’t see the supply chain aspect of healthcare. We are the ones behind the scenes ensuring flawless execution and making sure healthcare practitioners and, in turn, patients have seamless access to their medicines—and it gives me great pleasure in knowing that.

And of course working in this region as dynamic and evolutionary as Asia Pacific has its ups and downs, but at least no day ever looks like the last.

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