By Catherine Larkin

Crisis unveiled … Port disruptions prompt urgent call for logistics overhaul

In a startling turn of events at the close of 2023, the South African retail landscape faced an unprecedented challenge. In the crucial weeks leading up to the nation's peak retail season, an alarming situation unfolded as the Port of Durban, the heartbeat of the country's trade, ground to a virtual halt. Concerns about fast depleting shelves and the increasing cost of getting goods into the country marked a turning point, a disruption that sent shockwaves through the core of the economy.

Evert de Ruiter, a principal consultant at Auctoro Advisory, says …


Evert de Ruiter

"You know you have a crisis on your hands when the Fast Moving Consumer Goods sector starts flying freight into the country to avoid the ports."

" It introduced a new low point for the logistics sector in South Africa, a country already grappling with one of the highest logistics costs globally. It became evident with alarming speed that what was unfolding in Durban was going to hit more than just logistics hard. Supply chains were facing a crisis of considerable magnitude.


Image of Durban Port: Canva.com

"We were gobsmacked," says de Ruiter about the necessity to resort to airfreight for FMCG.


Professor Jan Havenga

"It was bound to happen," says Professor Jan Havenga, Director of the GAIN group, who has long been speaking about a growing logistics crisis and calling for solutions to be implemented sooner rather than later.

Havenga says the situation in Durban came as no surprise. It did, however, highlight the undeniable reality that the current operating model of South Africa's ports is not sustainable for any importer, no matter their industry.

According to the 2021 World Bank Index of Container Port Performance, which ranked the efficiency of 370 maritime ports worldwide, Durban currently sits at 364 and Cape Town at 365. This means South Africa is one of the worst-performing countries in container port performance globally.

Apply even the slightest amount of pressure, and you find yourself in the midst of a crisis with tangible repercussions. In this instance, it manifested as malfunctioning equipment and the incapacity to efficiently berth vessels and unload containers, leading to real-world consequences.

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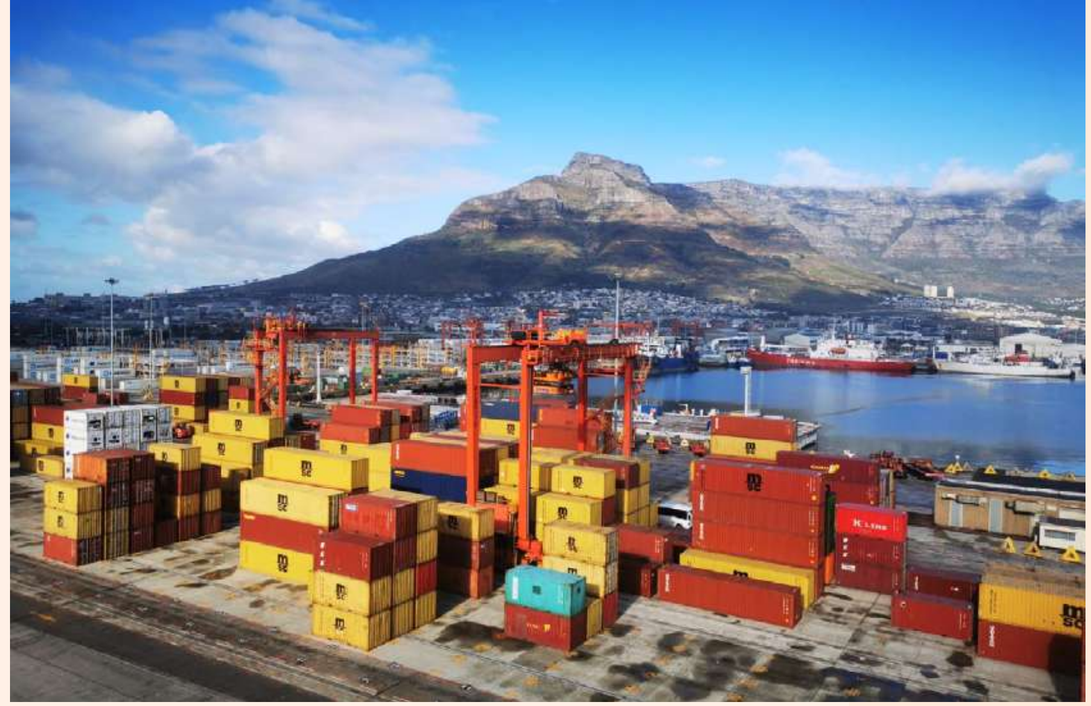
According to Havenga, it is not just about addressing the situation in times of crisis. Dysfunctional ports come at a high price. For years now, there has been a need to address the unreliability of the ports and the escalating logistics costs. South Africa, he says, needs to look beyond the crisis situations and take a far more comprehensive approach to its logistics.

> “The cost of logistics, measured as a percentage of the transportable economy, currently exceeds 50%. This means that more than half of the price of every product and commodity in this country is attributable to logistics.”

Once the necessity arises to resort to air transportation for stocking supermarket shelves with products, the system is on a trajectory toward inevitable failure as it becomes increasingly unsustainable and financially burdensome.

"South Africa has several challenges regarding the supply chain," explains Havenga. "It has severe geographic constraints. The Port of Durban is far removed from the country's economic hub, requiring the movement of goods over long distances. This means there are multiple handling points, and the cost escalates quickly."

An advocate for multi-modal transport solutions, including the more effective and efficient use of rail, Havenga has long been of the opinion that despite logistics being a critical economic factor, it continues to take a backseat in macroeconomic discussions.



Ships rerouted by Red Sea crisis face overwhelmed African ports

Shipping companies sailing around the Cape of Good Hope to avoid Houthi attacks on the Red Sea face tough choices over where to refuel and restock, as African ports struggle with red tape, congestion and poor facilities, companies and analysts say.

Hundreds of large vessels are rerouting around the southern tip of Africa, adding 10-14 days of travel, to escape drone and missile attacks by Yemeni Houthis that have pushed up oil prices and freight rates.

The attacks by Iranian-backed militants have disrupted international trade through the Suez Canal, the shortest shipping route between Europe and Asia, which accounts for about a sixth of global traffic.

South Africa's major ports, including Durban, one of Africa's largest in terms of container volumes handled, as well as Cape Town and Ngqura ports are among the worst performing globally. Wendell Roelf, Dec 22 https://www.reuters.com/

Houthi military spokesman, Brigadier Yahya Saree, delivers a statement on the attacks against two commercial vessels in the Red Sea during a march in solidarity with the people of Gaza in the capital Sanaa on 15 December, 2023. (Mohammed Huwais/AFP) https://www.timesofisrael.com/

Armed men stand on the beach as the Galaxy Leader commercial ship, seized by Yemen's Houthis in November 2023, is anchored off the coast of al-Salif, Yemen, 5 December. (Khaled Abdullah/Reuters) https://www.komu.com/

A Houthi forces helicopter approaching the cargo ship Galaxy Leader on 19 November, 2023 in the Red Sea. (Houthi Media Center via AP, File) https://www.timesofisrael.com/

The Arleigh Burke-class guided-missile destroyer USS Carney (DDG 64) defeated a combination of Houthi missiles and unmanned aerial vehicles in the Red Sea on 19 October, 2023. (Aaron Lau / US NAVY / AFP) https://www.timesofisrael.com/

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"The rise in logistics costs can be attributed to a combination of factors, including poor modal choices, misguided investments, inefficient logistics operations, and a downturn in rail services. The country's overall logistics proficiency has also declined for some time now."

Comparing South Africa to its BRICS counterparts, for example, highlights what Havenga is saying. It is the only country in the BRICS grouping that has yet to improve its logistics capability in the past decade. In fact, not only has South Africa not improved, it has seen its global competitiveness for logistics decrease.

Havenga's estimation reveals a staggering figure, asserting that ...

> "Transnet alone accounted for the eradication of at least 6% of economic growth in 2022. This calculation doesn't even account for the additional repercussions stemming from the turmoil that unfolded at the Port of Durban at the close of 2023."

"Transnet management needs help," says de Ruiter. "This is not a facetious comment. It is a candid, forthright observation. Having had a front-row seat in the business for the past two years, I can say that the negative impact of Transnet on the economy has been profound. The damage is deep. While the malaise began over a decade ago, its acceleration has been notably pronounced over the past four years."

Durban port had to clear the backlog of thousands of containers that had come to a grinding halt during the disastrous floods that lashed KwaZulu-Natal's road, rail and port infrastructure in April 2022. https://scnafrica.com/

Navigating turbulence

The retail sector's reliance on the Port of Durban, in particular, was highlighted when the port ground to a near-halt in November and December. With close to a hundred vessels waiting at anchorage, the South African Association of Freight Forwarders (SAAFF) estimated this was directly costing the economy around R98 million a day in direct, sunken costs and at least R26 million a day in indirect expenses and impeding at least R7 billion worth of goods from moving daily.

Surpassing the significance of the December 2022 strike that left the country reeling, the actual repercussions of the Port of Durban's inactivity have become sharply focused for retailers and supermarket owners, spanning from the significant players to small businesses alike.

In December, retailer Pepkor Holdings went on record as saying it was struggling to import goods. At the time it estimated that at least R700 million worth of stock was stuck at sea. For small to medium sized businesses, such a situation is untenable.

Dr Juanita Maree

SAAFF CEO Dr Juanita Maree, indicating that a grid-locked port is felt immediately in the supply chain, says ...

"Most SMMEs typically only cover a week's worth of buffer stock, as inventory costs are already high – with loss of sales starting from around 15 days. Airfreight, at a much higher cost, is not always viable for all SMMEs."

S&P Global predicts that the impact of the port crisis is still to be calculated and predicts that it will have a significant negative impact on the country's economy in the fourth quarter of 2023 and the first quarter of 2024. According to SAAFF, the direct logistics cost of the port gridlock has been estimated at around R48,5 million per day.

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Havenga says these costs need to be seen in the context of shippers already paying far more for logistics than their counterparts in the rest of the world when there is no crisis at hand.

Ronald Makuwaza, account manager at LCL Logistics, says what transpired at South Africa's busiest port was but one of many challenges faced in recent years.

Ronald Makuwaza

> "From containers being stuck at sea waiting to be offloaded, to equipment failures due to poor maintenance and port bottlenecks caused by political agendas, there are ongoing issues. Amongst many other reasons, the reality is that the current situation, has led to a severe decrease in the performance of the country's economy, and the desirability of international trade has lessened."

He says the supermarket and retail sector accounts for approximately 55% of volumes moving through the port. Anything that happens there will have a direct impact on business.

"At least 60% of imports into South Africa move through Durban. Due to the congestion and these challenges, the cost of doing business with the port has increased. Companies are having to pay over-time to staff. Drivers wait for hours on end to pick up containers. This is all compounded by other challenges, such as the deterioration of the road infrastructure. It all comes down to store owners paying more, while incurring increased losses due to late deliveries or the inability to access their stock."

Visual: Suriya Silsaksom, canva.com

Clifford Evans, Customs Liaison Manager at Berry & Donaldson, says it is not just the Port of Durban affected. A crisis at one port has a compounding effect on all the ports in the country.

"All the other ports are affected with shipping lines having imposed congestion surcharges. We are also seeing more vessels bypass the country, and some lines have been taken to discharge import containers in Mauritius."

Evans says that unless a long-term solution is found, retailers will find themselves dealing with this kind of situation more and more. "The entire supply chain is affected by port disruptions to the extent that retailers will increasingly have to consider airfreight more regularly to obtain their goods to meet their deadlines. Many already have. The short-term consequence of any port crisis is the obvious delay in receiving goods and the additional costs associated with such delays."

But, says Evans, the long-term consequences are far more dire. "We risk contracts being cancelled and foreign suppliers unwilling to deal with South Africa." According to Evans, an additional cause for worry is the dependence on the Port of Durban. He explains …

> "The over-reliance on a single port for imports is directly due to the major shipping lines making business decisions about the routing of their vessels to maintain schedule integrity."

Goscor Lift Trucks Introduces Newly Branded Bobcat Forklifts to Southern African Market

Goscor Lift Trucks (GLT), a key player in the industrial warehousing equipment sector, is delighted to announce the rebranding of their premier forklift brand, Doosan, which will now be supplied under the iconic Bobcat livery in line with the global Doosan Bobcat rebranding strategy.

Goscor Lift Trucks (GLT), part of the Goscor Group, has been a leading provider of industrial warehousing equipment solutions since 1984. Offering a diverse range of electric and diesel-powered forklifts and exceptional after-sales service, GLT is committed to delivering complete warehousing solutions with the lowest total cost of ownership. GLT stands as a dynamic forklift company and a prominent supplier in the South African materials handling industry.

As a prominent member of the Goscor Group, GLT has been a trusted provider of industrial warehousing equipment solutions since 1984. “Recognised for its extensive range of electric and diesel-powered forklifts, along with exceptional after-sales service, GLT has established itself as a dynamic forklift company offering comprehensive warehousing solutions with the lowest total cost of ownership. Today, GLT is a leading supplier in the South African materials handling industry,” affirms GLT Business Development Director, Patrick Barber.

GLT has a history of supplying world-renowned brands such as Crown, Bendi, Dec, Doosan, and, as of mid-year 2023, Movexx range of electric tugs, along with Sunlight batteries and energy solutions.

Barber, who has been with Goscor for over two decades, asserts that with his involvement in the conversion of Daewoo forklifts to the Doosan brand in 2005, GLT is well-acquainted with the process of forklift rebranding, drawing from firsthand experience in this domain.

In the earlier part of this year, GLT underwent its own corporate rebranding, aligning with the Goscor Group's commitment to enhancing customer uptime across various industries.

As of January 1, 2024, Doosan Bobcat (DIV) forklift trucks and warehouse equipment will proudly carry the well-known Bobcat colours. With the transition of Doosan to Bobcat forklifts, Goscor Lift Trucks is proud to be part of the renowned Bobcat family, known globally for its compact machines used in construction and agriculture industries across South Africa.

Under the Goscor umbrella, Bobcat loaders and telehandlers, will continue to be sold through Goscor Earthmoving Equipment business unit, reinforcing Goscor Group's commitment to providing Trusted Equipment Solutions and positioning itself as a brand that is professional, on-point, vibrant, and engaging for the future.

Bobcat GOSCOR LIFT TRUCKS

"All South African ports are open for business, but with Durban being the largest port, volumes have steadily increased over recent years, placing a burden on equipment and workforce at the port. The decision, however, remains with the cargo carrier as to which ports they will use and what scheduled route they will use."

While this might sound like an ideal opportunity to increase local manufacturing and reduce the reliance on imports, manufacturing has faced its own challenges, says Mark Wilson, CEO of SYSPRO EMEA ...

> 2023 was a tough year for manufacturers. The sector was in contraction for most of the year. This was, in large part, due to geopolitical tensions, economic uncertainty and climate change.

More worrying is that industry performance predictions for 2024 paint an equally bleak picture.

> The realities demand that modern manufacturers take a long hard look at their processes, supply chains and the level of automation across their operations, to identify inefficiencies and make necessary changes to thrive in an environment that makes it challenging.

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Securing technology opportunities

Wilson says ERP solutions, tailored to address manufacturers' and their customers' unique challenges and opportunities, can be a real game-changer.

Dennis Connelly. Canva.com

"Digital innovations like this help to streamline, update and improve processes so that companies are better equipped to respond to sudden shifts or deviations in the market conditions. It also positions one to adapt to a business's changing needs and expectations.

According to Renko Bergh, co-founder of CtrlFleet Software, technology is an enabler of supply chain services if implemented and adopted correctly.

Left: RFID tag. Right: Gun Reader
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www.controlims.com/fleetcontrol/

> If not done correctly, technology can play a very counter-initiative role and become a disabler.

Bergh says ERP applications, at its very core, are there to manage and optimise all core business functions.

"Traditionally, these functions in any business operate independently on different applications, databases, or even manually. Once a central ERP is implemented – the move towards a central database, with one primary application using other respective modules – allows and enables the ability to visualise the data from one source point to individual shareholders.

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"Once the different stakeholders in a supply chain environment have each digitised their businesses on respective ERPs, then the next dive is to create integrations between those ERPs and entity operations representing them, for full visibility from a strategic bird's eye perspective."

For Bergh, it is simple. "You can only manage what you can measure. The opportunity cost of not having complete transparency with data competes in the rank of importance with the ability to start forecasting and creating predictive analytics with that same data."

Visual: www.maersk.com/

Gavin Kelly

Anticipating the future

It's important to note, says Gavin Kelly, CEO of the Road Freight Association (RFA), that the current state of affairs in the logistics sector did not 'suddenly' happen. He says ...

> "It has been years in the making. The RFA is steadfast in its opinion that the deterioration of our ports and rail has been a slow, continued process over at least ten years."

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Furthermore, says Kelly, the management of Transnet and its total subsidiaries have been fully aware of the challenges and continuously informed of these by both structures within their respective organisations and the private sector. Nothing was done to counter this, reverse, or hold the decline.

Most experts, like Kelly, say retailers need to be cognitive of what is happening in the port space and must take into account that, while plans are currently being put in place to ramp up operations and address the current crisis, a long road lies ahead of South Africa in terms of bringing its ports and rail infrastructure back to a position of efficiency.

In Durban, port authorities have managed to average single-digit vessels at anchor for the first few weeks in January, ensuring that all priority cargo across the retail, automotive, energy, and FMCG sectors reach shelves as quickly as possible.

However, the management of the Durban Container Terminal realises they are still a long way off. “We are not out of the woods,” says Earle Peters, Managing Executive at the Durban Terminals. He does, however, point out that ongoing efforts during the course of December did see the set targets of clearing the vessel backlog exceeded.

Earle Peters

"We are pursuing an aggressive recovery plan, and our main focus is to relieve the pressure on our customers who rely on our service and look to us to provide much-need value," he says, indicating that they are confident that the supply chain will return to normality.

The likes of Kelly, Havenga and de Ruiter are slightly less optimistic. They foresee a tough time ahead, as supply chains will remain under pressure while the ports struggle to cope.

On the other hand, SAAFF has welcomed a R47 billion facility guarantee announced by the government in December to assist Transnet with its recovery plan.

"This recovery plan is vital to the national economy and will act as a stimulus to ignite broader economic recovery and growth," says Maree. "The current infrastructure crisis and service incapacity at the ports is of material proportion, severely impacting national and international players in our economy. The announcement of the R47 billion guarantee facility is also in response to a call by international conglomerates for the government to fix the issues or stand to suffer divestment by important companies in our economy."

There is no doubt that the world is watching and seeking clear signs of competency and reassurances from the South African government to the nation and the international community.

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"Government, however, cannot do it alone," says Evans. "Industry is already working with the government with several key initiatives in progress. Establishing the National Logistics Crisis Committee with direct input from trade was a move in the right direction."

The Freight Logistics Roadmap that Parliament has approved and Transnet's Recovery Plan are all solid attempts at addressing the challenges.

"There is, unfortunately, no quick fix," says Evans. "This is because there is not enough funding available. Securing the necessary funding will continue to be a challenge."

According to Wilson, given that 2024 is another challenging year, the industry has no option but to devise ways to do things differently. "New and emerging technologies can help to boost overall operational efficiency," he says. "Not only do these tools and solutions offer increased visibility into processes and improved communications between different departments, but they also centralise data collection and analysis so that business can make more informed decisions and better navigate the tough times that lie ahead."

Logisticians' advice to the retail sector is clear: expect the unexpected. Despite improvements to the supply chain following a tumultuous few months, the fact remains that no one is as prepared as they would like to be. Now more than ever, it is essential to future-proof one's supply chain.

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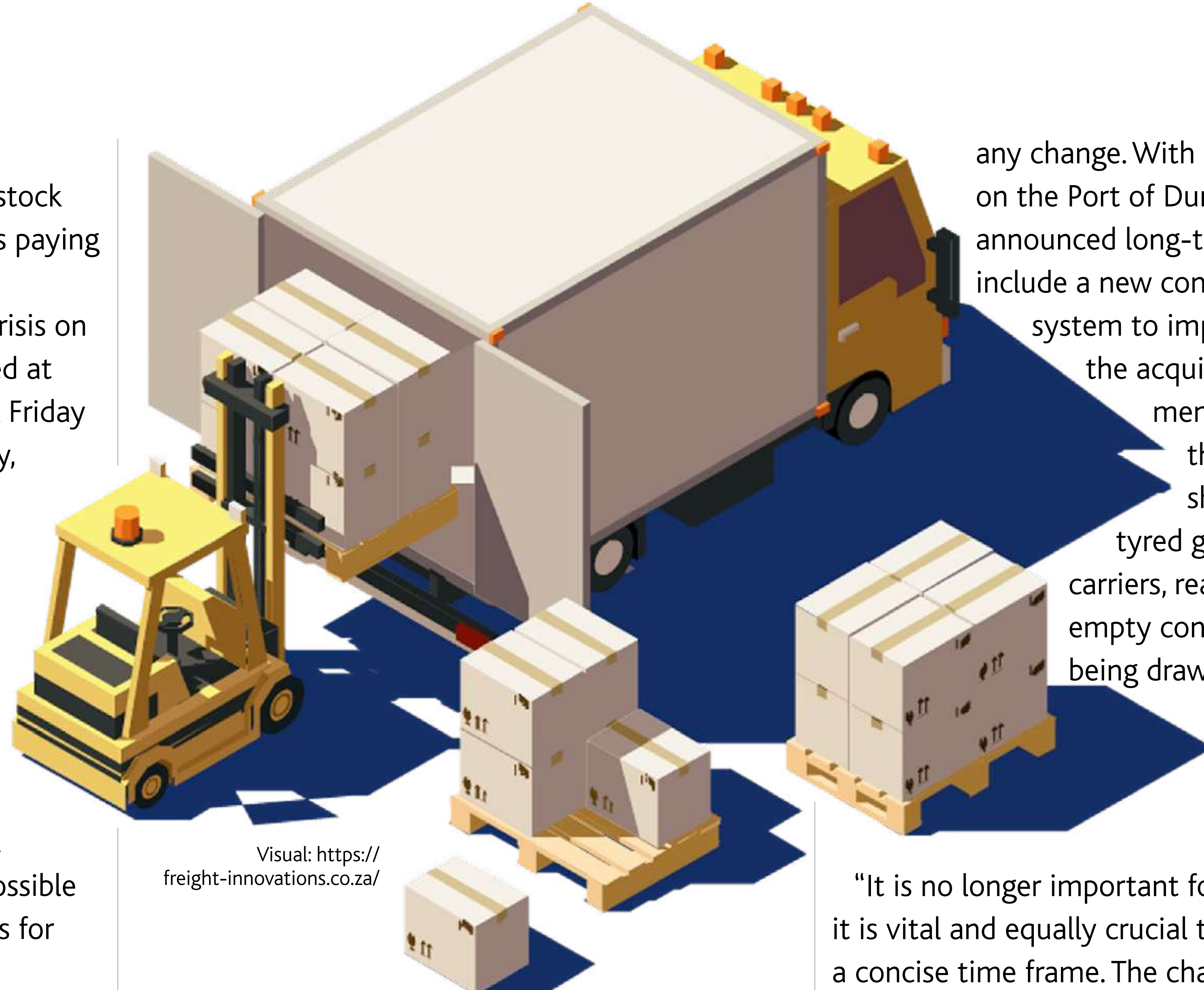
While technology is driving some change, retailers are advised to keep a close eye on stock levels and cost, as they may find themselves paying more for imported goods.

The impact of the November/December crisis on retailers was real. It could not have happened at a worse time. Many retailers targeting Black Friday sales lost an economic opportunity; similarly, tens of thousands of containers were only delivered after Christmas – missing critical sale opportunities.

John Steenhuisen, leader of the Democratic Alliance, has also expressed concern over the situation at the ports. The surcharges introduced by carriers, he says, will be passed on to consumers, further compounding inflationary pressures. He predicts increased financial stress and possible job losses due to elevated interest payments for business.

"The unrelenting backlog at ports severely impacts intermediary importers who supply retailers. There is no question that many containers have sell-by dates, which may force some chain stores to cancel orders not delivered in time, exerting further cost pressures on the importer. With many importers living hand to mouth – within the context of load-shedding, water-shedding, and an underperforming economy – cancelled orders for products stranded at sea will be the final straw and could see many businesses shut down."

Visual: https://www.fleetio.com/



Visual: https://freight-innovations.co.za/

Transnet, on the other hand, maintain that the situation is being addressed, but warns that the issue around port congestion is complex and therefore caution that it will take time to affect any change. With most eyes focussed on the Port of Durban they have announced long-term solutions that include a new container management system to improve efficiencies and the acquisition of new equipment. New contracts to the service the ship to shore cranes, rubber tyred gantries, straddle carriers, reach stackers and empty container handlers are being drawn up.

According to Evans, collaboration is now the only way forward.

"It is no longer important for this to happen; it is vital and equally crucial to take place within a concise time frame. The challenges faced at our ports have been highlighted by trade for many years but ignored. This, unfortunately, leaves no time for us to play catch-up. Every day and month that the ports are congested, the economy suffers even more." **SR**

Catherine Larkin is a communication and marketing professional, specialising in Logistics, Transport and Supply Chain. Her company, CVLC Communication, is a corporate public relations, communication, marketing and events consultancy. Its services range from full secretariat support, project management and administration, strategy development, stakeholder engagement, through to event organisation, media, social media and publicity.

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DT50S *ANDROID 13*
ENTERPRISE MOBILE COMPUTER

Bluetooth | IP67 | 13 MP | WIFI READY

OPTIONAL ACCESSORIES

Single slot cradle
4 slot cradle
Pistol grip
Screen protector
Biometric module
Rubber boot
Hand strap

CT58 *ANDROID 12*
ENTERPRISE MOBILE COMPUTER

Bluetooth | IP65 | 13 MP | 5.5 INCH SCREEN

Single slot cradle
Wristband
Screen protector
Pistol grip
Protective cover

CT48 *ANDROID 12*
MOBILE HANDHELD COMPUTER

Bluetooth | IP65 | 5000mAh BATTERY | 4.0 INCH SCREEN

Charging cradle
4 Battery charging cradle

RT40 COLD STORAGE + XLR
INDUSTRIAL MOBILE COMPUTER

Bluetooth | IP68 | 13 MP | WIFI READY

Pistol grip version
Silicone case
Charging cradle

FR1000
FIXED UHF RFID READER

HIGH PERFORMANCE CPU | HDMI READY | 4 COMMUNICATION ANTENNAS | WIFI READY

FR2000
DESKTOP CHECKOUT RFID READER

IMPINJ E710 CHIP | SUPPORTS USB POWER SUPPLY | Bluetooth | IP54

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The top manufacturing trends for 2024
AI, supply chain efficiency and ERP

By Mark Wilson,
CEO of SYSPRO EMEA

2023 was a tough year for manufacturers. According to research from Deloitte, the sector was in contraction for most of 2023. This was, in large part, due to geopolitical tensions, economic uncertainty and climate change, which have all transformed the global manufacturing landscape as we know it. And industry performance predictions for 2024 paint an equally bleak picture.

These realities demand that modern manufacturers take a long hard look at their processes, supply chains and the level of automation across their operations to identify inefficiencies and make necessary changes to thrive in an environment that makes it challenging to do so. This is where ERP solutions, which are tailored to address the unique challenges and opportunities of manufacturers, can be a real game-changer.

Digital innovations like this help modern manufacturers streamline, update and improve their processes so that they are better equipped to respond to sudden shifts or deviations in market conditions. This also positions manufacturers to adapt to the changing needs and expectations of their customers, suppliers and employees. Some of the tools and technologies set to make an impact in 2024 are outlined below.

> Enterprise resource planning is the integrated management of main business processes, often in real time and mediated by software and technology.

Definition: Wikipedia.

Image: canva.com

Generative AI is one of the latest additions modern manufacturers can add to their arsenal to deliver value across their operations. This is particularly true in areas like supply chain management.

> With the right systems in place, manufacturers have an easier time coordinating and streamlining the processes that go into transforming raw materials into the finished products that ultimately get delivered to customers.

Securing AI opportunities

There was much hype around generative AI in 2023 and Forrester Research sees 2024 as a big year for incorporating gen AI into a wider range of business systems and processes to achieve powerful results.

While the potential is huge, as more and more manufacturers use generative AI and machine learning to automate tasks and enhance decision-making, they will need to be aware of the risks and the challenges around these technologies from data quality issues and ethical concerns to privacy and compliance considerations.

What will the industrial world look like in 10 years? The consumer market and IOT applications are a driving force behind the Industrial Internet of Things. The IIOT maintains the connection between industrial equipment, machines and applications in the cloud. It enables physical devices and process systems throughout the entire production and distribution chain to communicate with each other. Caption & image: https://e.sentech.nl/en/news/

Prediction is better than cure

Machinery failures lead to costly downtime and delays in production, which has a negative impact on efficiency and customer relations. These are all things that the average manufacturer cannot afford. According to Deloitte, AI-driven predictive maintenance can increase equipment uptime by as much as 20%; reduce maintenance costs by around 10% and halve the amount of time needed for maintenance scheduling.

ERP technologies play an important role in supporting predictive maintenance by collecting and analysing data and making it simpler to develop maintenance plans, reduce unscheduled downtime, enhance operational efficiency and detect faults before they become critical. Additionally, having real-time visibility empowers manufacturers to reduce their facility's energy use and environmental impact by ensuring that all equipment is running at peak efficiency.

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'Noses, ears and eyes' need to be developed for all kinds of equipment, machines and vehicles that are part of a wide range of production chains. Sensor knowledge and sensor products are crucial information generators for clients' processes. The IIOT has to be embraced. Caption & image: https://e.sentech.nl/en/news/

Automation, personalisation

Within modern manufacturing environments automation is essential. Here, again, AI will continue to have an impact. Not only do AI-driven systems enable manufacturers to streamline their processes and boost overall operational efficiency, but they also make it possible to better forecast demand, process orders faster and minimise errors. Similarly, modern manufacturing ERPs provide real-time access to critical data and it is this same data that is the cornerstone of automation success.

As the sector moves away from standardisation and towards personalisation, manufacturers now need to be able to create custom products if they want to keep up with, and outdo, their competitors. Producing high-quality products is not longer enough to stand out; personalisation has become an important differentiator and manufacturers need to keep up with the trend.

As a global organisation, SYSPRO believe in empowering manufacturers to constantly upskill and evolve. With the commitment to education and training, manufacturers can turn a workforce built for the past into one that's fine-tuned for the future. With a more efficient workforce, organisations can increase their output and better meet the demands of the evolving industry. Caption & image: https://za.syspro.com/

Digital supply chain efficiency

In 2024, manufacturers will continue leveraging digital platforms and tech to streamline and boost supply chain resilience, visibility and agility. If the pandemic taught us anything, it's that supply chain disruptions can be costly and while most of this disruption is behind us, it's important to remember that any kind of disruption will interfere with production and delivery schedules.

Digital supply chain management solutions – like ERP systems – offer a unified view of supply chain operations; providing everything companies need to successfully manage their supply chain effectively. This includes everything from planning and procurement all the way through to order management. The beauty of digital supply chains is that they enable manufacturers to streamline and automate all of these activities without increasing their operating costs.

Given the fact that 2024 is set to be another challenging year for global manufacturers, the industry has no option but to come up with ways to do things differently.

New and emerging technologies can help modern manufacturers boost overall operational efficiency. Not only do these tools and solutions offer increased visibility into processes and improved communication between departments, but they also centralise data collection and analysis so that business can make more informed decisions and better navigate the tough times that lie ahead. **SR**

Mobile racking in SA Fruit Stores

Southern Storage Solutions – DEXION, has installed numerous mobile rack installations in conjunction with Barpro Storage which has increased the storage capacity of each facility without the expensive task of increasing the room size to cater for conventional pallet racking or drive in racking with all the associated extra refrigeration and electrical costs.

Traditionally pallets of packed fruit were stored by securing steel corner posts to each pallet and then storing another level of pallets on top. While doubling store capacity, this form of block storage effectively prevented stock rotation, increased stock damage and in some situations prevented adequate cooling. As fruit packaging became further differentiated, accessing stock quickly for an order became practically impossible.

Pallet racking was introduced into existing fruit stores to solve these problems. "Drive-In" racking made better theoretical use of the chilled space and reduced product damage. However the accessibility problem was not solved leading to "drive-in" lanes being only partially utilised for immediate access to individual product lines. The alternative was to use fixed selective racking, giving immediate access to every pallet but greatly reducing storage capacity.

Mobile racking was first used in 1997 in a fruit store outside Grabouw in the Western Cape.

WHAT IS MOBILE RACKING?

Mobile racking consists of special rails that are laid in the floor during construction. Rails can also be retrofitted in existing rooms provided the floor is suitable by levelling the rails on the existing surface and pouring a 150mm reinforced slab. A low ramp is needed at the entrance. The mobile bases run on the rails and support pallet racking which is specially designed for use in a mobile application. The bases are motorised and energy efficient.

Maximum tonnage per base varies but should not exceed 360 tons. In larger stores mobiles are arranged in banks of up to 10 bases, each with its own moving aisle. The bases are controlled either by push buttons, remote control, or by an interface with the warehouse management system. An access aisle is created at the push of a button.

Safety measures include photoelectric beams down the length of each base and across the front of each mobile bank with additional emergency stops. To move one or multiple bases takes approximately one minute twenty seconds. Mobiles are designed to give lighting signals so that the lights come on only in open aisles. This results in energy savings as each light produces heat which must be removed by the refrigeration system.

The possibility of pallets breaking was removed by using a pallet support or saddle beams in the middle of each pallet slot. These were painted yellow to assist with pallet placement especially on higher levels and increase rack strength. Another challenge arose when packed fruit stores remained in use for extended periods.

Improved ventilation in the mobiles allowed packed fruit to be chilled and store temperatures were reduced to around 0 degrees C. Frost heave, caused by moisture freezing under the floor, is not good for mobiles and recent installations have under floor insulation and heater mats to make sure this doesn't happen.

The advantages of using mobiles in fruit stores have become apparent over the years. More expensive than "fixed selective" or "drive in", mobiles can increase the practical capacity of a store by up to 75 or 80% while still giving immediate access to every pallet.

For all your storage solution requirements, contact Ron Bonthuys at Dexion.

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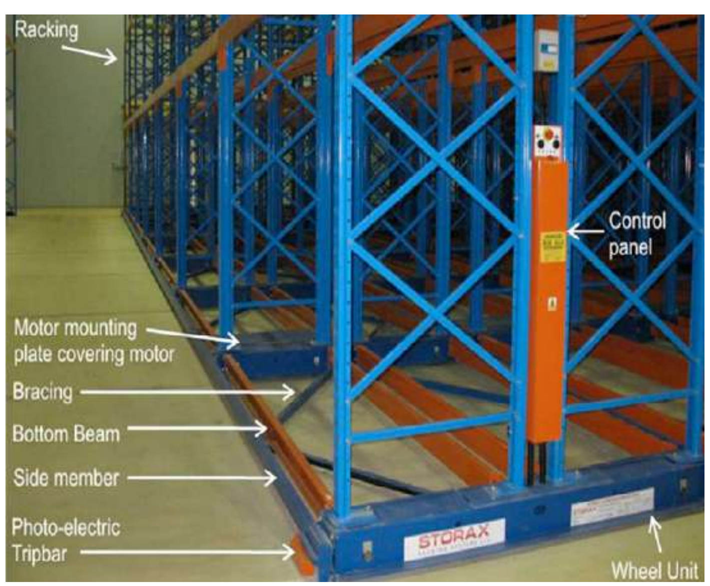

Need a **Storage Solution?**

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Company Profile

With the head office based in Cape Town, **Southern Storage Solutions-Dexion** network provides support to customers on a national basis and into Africa. With over 55 years international experience in Materials Handling and Storage Systems, Dexion have the expertise required to solve any storage requirements.

Dexion offer a complete range of products, including all forms of racking, steel shelving, mobile shelving, conveyor systems, mezzanine floors, small parts bins, staff lockers and fencing as well as a complete advisory and system design service incorporating the latest CAD technology.

The company also offers a full racking inspection service which can be completed every six months, or where necessary on a more frequent basis. This includes a full audit on the storage system, a detailed report and recommendations on damage prevention. Certification can be provided on request.

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www.dexionrackingandshelving.co.za

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Mezzanine floors

Fencing

Lady Gaga and supply chain optimisation in the spotlight at SAPICS Conference

Lady Gaga and supply chain management shared the spotlight in an inspiring, uplifting presentation at a conference hosted by SAPICS (The Professional Body for Supply Chain Management) in association with SAAFF (the Southern African Association of Freight Forwarders NPC).

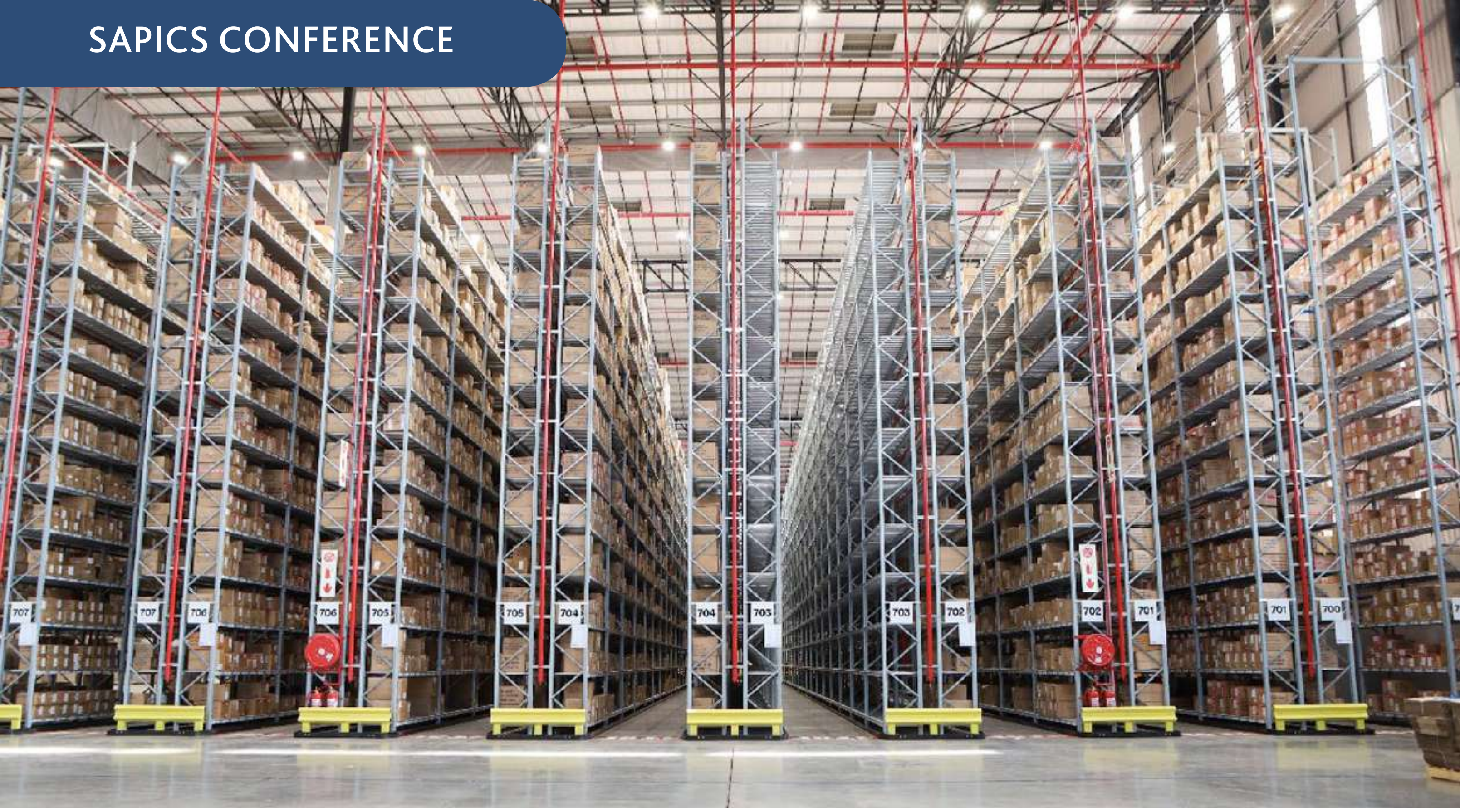
Speaking to supply chain professionals who attended the event in Johannesburg, Phil Marais, head of Supply Chain Africa and Brazil at the Cotton On Group, shared details of the retail group's successful and seamless move to its R300-million new Southern Africa headquarters. He also shared his insights on supply chain optimisation, commended the "impressive construction skills in Africa," and told attendees about Cotton On's recent global mental health awareness campaign, in collaboration with Lady Gaga's 'Born This Way Foundation'.

Cotton On's custom-built new campus is home to the group's HQ offices and state of the art distribution centre (DC). The campus in Gauteng is geared towards optimising its supply chain and enhancing customer experience. Marais also mentioned that the integration of the HQ and DC teams has fostered an even stronger collaboration between the two key arms of the business which was one of the main reasons to establish campus. Relocating entailed moving 2.2 million units – more than 100 truckloads of stock – from Cotton On's former premises in Pomona to its new premises, Marais told the SAPICS conference attendees. As a result of tireless planning, execution and diligence, there was little to no impact on the customer experience.

Situated in the Waterfall Logistics Hub, the 22 000 sqm campus is designed to process 6 000 e-commerce orders per day, 200 000 units to its retail network daily and over 20 million units per year. The DC has been designed to optimise efficiency and features very narrow aisle (VNA) storage and a pick mezzanine for unitised picking for store, wholesale and e-commerce orders.

Cotton On has shifted from a pallet-based DC to one that is carton-based. It has changed the way stock is moved and handled to make it safer, easier and quicker. The distance that pickers travel to pick orders has been reduced by at least one-third. "Pickers are less tired, so they're able to concentrate better. My facility and my team are safer today than they were two years ago" Marais stated.

The next major event on the SAPICS supply chain community's calendar is the 46th annual SAPICS Conference, which takes place in Cape Town from 9 to 12 June 2024. This important conference is the leading knowledge sharing and networking gathering for the African supply chain community. It will be held under the theme **Supply Chain Metamorphosis** and hosted by SAPICS in association with the Southern African Association of Freight Forwarders NPC (SAAFF). More information can be obtained by visiting https://conference.sapics.org/



He stressed that this project reflects how supply chain teams can influence strategic business priorities.

"The skill level in South Africa was evident in the build – from the successful installation of the very sophisticated flooring to the contractors' safety and efficiency while operating at a height of 12 metres," Marais asserted.

He emphasised the importance of change management and said that it had been critical in the transition to the new DC. "Our team needed to understand the benefits of this move. To implement a change in warehousing, one can only be as fast as the slowest adapter," he told conference delegates. SR

In his presentation, Marais also reported on Cotton On's partnership with Lady Gaga's Born This Way (BTW) Foundation, co-founded by Gaga and her mother Cynthia to raise awareness around youth mental health. The BTW Foundation approached Cotton On due to its strong connection and reach with the youth globally. With a shared commitment to improving access to mental health resources, the two organisations came together to create a life-changing range of limited-edition products whereby 100% of the proceeds were donated to provide mental health support for youth in South Africa. The total investment being R2,5 million in South Africa alone, and USD5 million globally.

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