

# APL Logistics Supply Chain Symposium:

Leveraging Order Management  
Solutions to Manage Supply Chain  
Disruptions

Ho Chi Minh City, Vietnam

NAVIGATING THE NEW NORMAL



A member of the **KWE** Group

# AGENDA

14:15 – 14:20

## Opening

*[Azfar Khan](#), Regional Vice President, Southeast Asia, APL Logistics*

14:20 - 14:50

## Global Trends in Supply Chain

*[Gene Seroka](#), Executive Director, Port of Los Angeles*

14:50 – 15:20

## Logistics Ecosystem in Vietnam

*[Phong Do](#), Head of Customs Management Supervision Department, Binh Duong Customs Department*

15:20 – 15:50

## Macro level Supply Chain Challenges and Solutions in Vietnam

*[Gene Seroka](#), Executive Director, Port of Los Angeles*

*[Phong Do](#), Head of Customs Management*

*[Tuan Huynh](#), Chief of Binh Duong Export & Customs*

15:50 – 16:20

*Break*

16:20 - 16:50

## APL Logistics and Supply Chain Trends

*[Waldo Basilla](#), Chief Operations and Commercial Officer, Asia, APL Logistics*

16:50 - 17:20

## Technology Trends and Implications for Supply Chain

*[Hakan Yaren](#), Chief Information Officer, APL Logistics*

17:20 - 18:05

## Leveraging the Order Management Solutions Advantage in Supply Chain

*[Jens Larsen](#), Head of Global Order Management Product Development, APL Logistics*

*[Alexer Yap](#), Managing Director (Vietnam, Cambodia, Myanmar), APL Logistics*

18:05 - 18:35

## Logistics and Supply Chain Challenges for Vietnam Companies

*[Lee Bumin](#), Samsung Electronics HCM*

*Production Logistics Group Leader, Samsung*

*[Trang Kim Nguyen](#), Logistics Manager, Fashion Garments*

*[Phuong Vu Dang](#), Country Logistics Head VN & KH, Schneider Electric*

*[Alexer Yap](#), Managing Director (Vietnam, Cambodia, Myanmar), APL Logistics*

18:35 – 20:00

*Networking*



# APL Logistics Supply Chain Symposium: Vietnam – Leveraging Order Management Solutions to Manage Supply Chain Disruptions

*Eugene D. Seroka, Executive Director, Port of Los Angeles*

January 19, 2024



A member of the **KWE** Group







# San Pedro Bay Port Complex



Downtown Long Beach

Terminal Island

Port of Los Angeles

Port of Long Beach

San Pedro

The San Pedro Bay Ports are:

- Landlord Ports (limited control over cargo operations)
- Gateway Ports (versus “Hub” or “Relay” ports)



# Economic Drivers



## Employment

838

Filled positions (CY 2021)  
at the City of Los Angeles  
Harbor Department

10-15k

Longshore and Terminal  
jobs in Los Angeles and  
Long Beach

181k

Jobs (about 1 in 12)  
in Los Angeles and  
Long Beach

951k

Jobs (about 1 in 9)  
in the five-county Southern  
California region

2.6M

Jobs across the  
United States

435

U.S. Congressional  
districts touched by trade

## Trade Value

\$101.8B

Throughout California  
(CY 2021)

\$433.1B

Throughout the  
United States



# PORT AT A GLANCE



- **Founded in 1907**
- **State Tidelands Trust**
- **Non-Taxpayer Supported**
- **Business Port Model**
- **7, 500 Acres Port Property**
  - 4,300 Acres Land (1,740 hectares)
  - 3,200 Acres Water (1,295 hectares)
  - 43 Miles of Waterfront
  - -53 Foot Main Channel Water Depth
- **270 Berths and 25 Cargo Terminals**
  - 7 Container Terminals
  - 83 Ship-to-Shore Gantry Cranes
- **116 Miles of Rail Tracks**
  - 5 On-Dock Railyards & 1 Classification Yard



# 2022 Lines of Business



**CRUISES**  
229 SHIP CALLS

**275.4%**



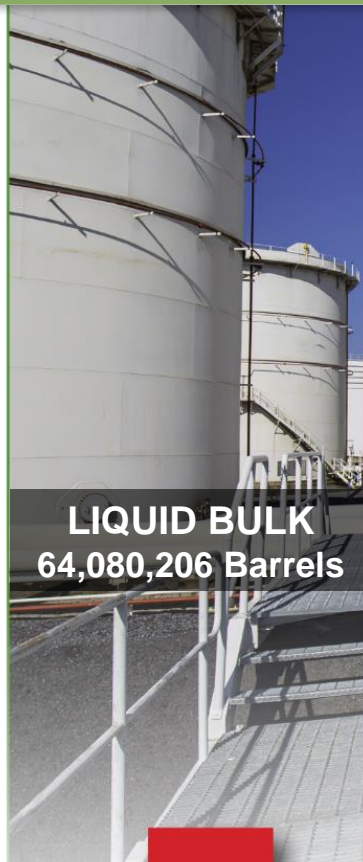
**CONTAINERS**  
9,911,159 TEUs

**-7.18%**



**VISITORS**  
~1.85 MILLION

**29.5%**



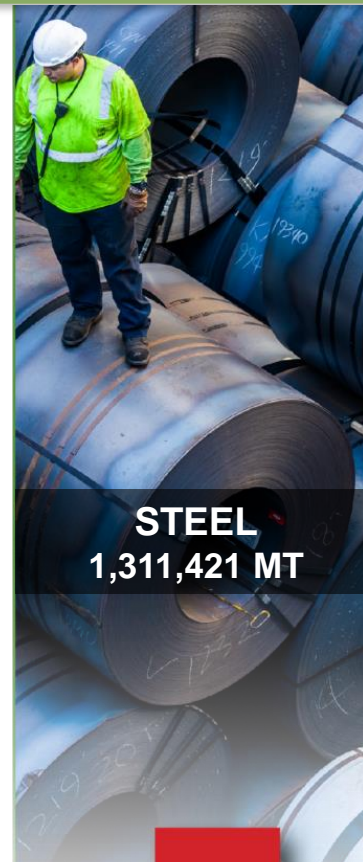
**LIQUID BULK**  
64,080,206 Barrels

**-16.1%**



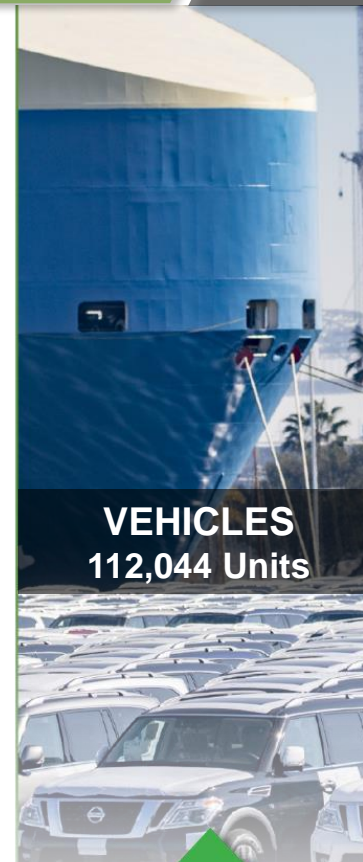
**FRUIT**  
96,304 MT

**53.6%**



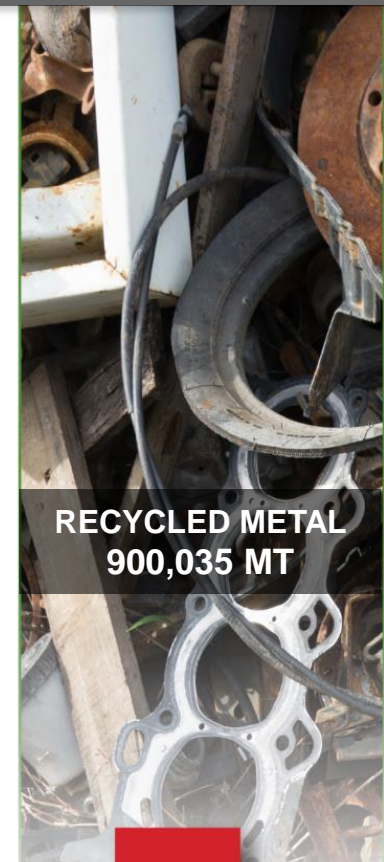
**STEEL**  
1,311,421 MT

**-23%**



**VEHICLES**  
112,044 Units

**9%**



**RECYCLED METAL**  
900,035 MT

**-1.14%**



# Top Trading Partners & Commodities

## Trading Partners



1. China/Hong Kong	<b>\$134 B</b>
2. Japan	<b>\$ 38 B</b>
3. Vietnam	<b>\$ 33 B</b>
4. Taiwan	<b>\$ 20 B</b>
5. South Korea	<b>\$ 16 B</b>

(In Cargo Value, CY2022)

## Imports



1. Furniture	<b>683,789 TEUs</b>
2. Auto Parts	<b>359,795 TEUs</b>
3. Apparel	<b>269,190 TEUs</b>
4. Plastics	<b>267,711 TEUs</b>
5. Footwear	<b>262,910 TEUs</b>

(Containerized, CY2022)

## Exports



1. Animal Feeds	<b>181,073 TEUs</b>
2. Waste Paper	<b>146,613 TEUs</b>
3. Soybeans	<b>104,057 TEUs</b>
4. Fabrics	<b>83,076 TEUs</b>
5. Scrap Metal	<b>62,157 TEUs</b>

(Containerized, CY2022)



# 5 Years of Trade Disruptions



## 2018-2019 U.S.-China Trade Tensions

**Tariffs & Retaliatory Tariffs**

**Manufacturer Migration to Southeast Asia  
= Cargo Routing to U.S. East Coast**

**Tariff Wars Exacerbate  
Trade Deficit Imbalances**

**Cargo Owners Pull Inventories Forward  
in Advance of Scheduled Tariff Increases**

**Record-Setting 2018 Volume**

## 2020-2022 COVID-19 Disruptions

**Distressed Supply Chain**

**Economies Shutter**

**China Manufacturing Halts**

**Workforce Shortages**

**Consumer-Driven Import Surge**

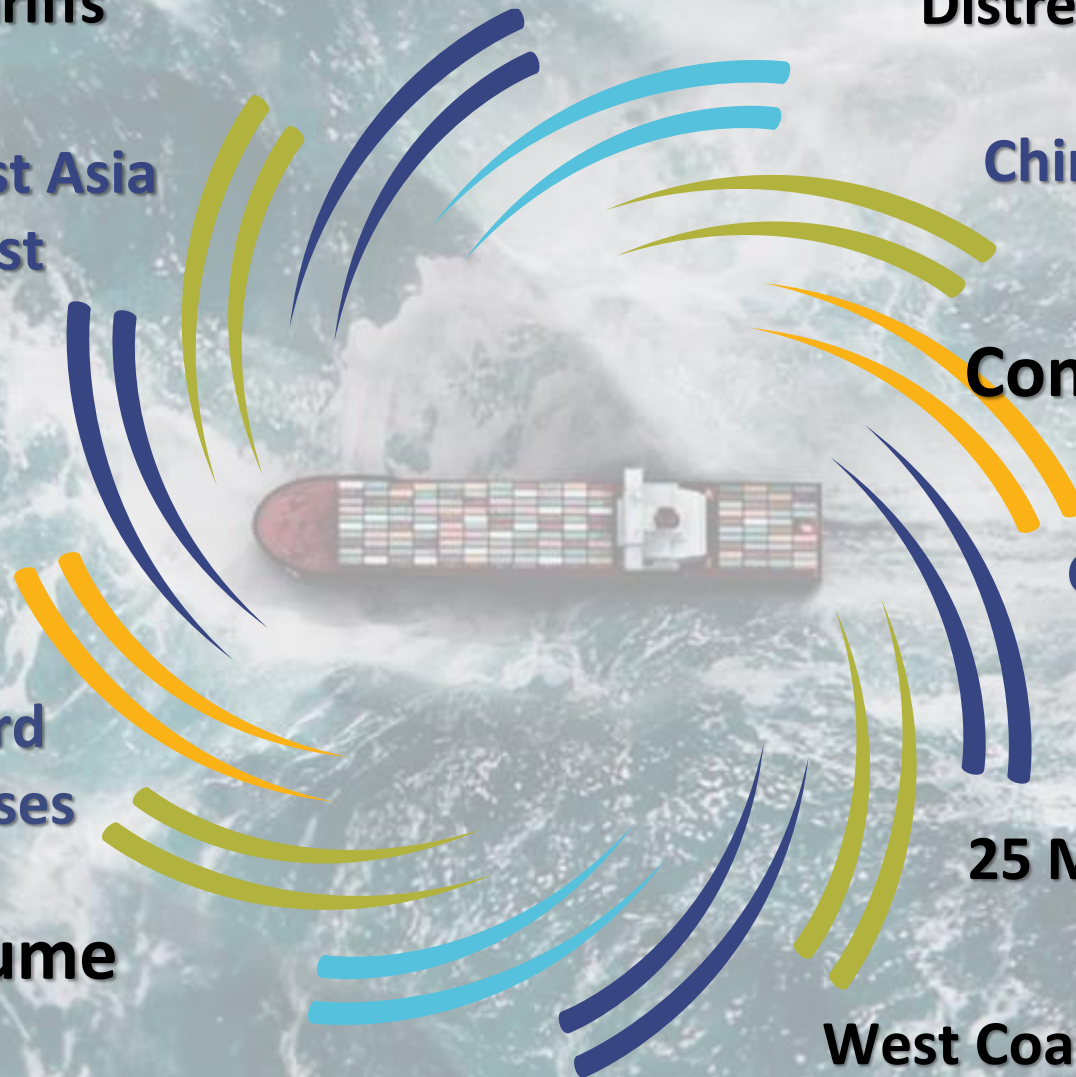
**E-Commerce Boom**

**Global Supply Chain Disruptions**

**Container Shortages &  
Shipping Price Hikes**

**25 Months of Record-Setting Volume  
(through last June)**

**West Coast Cargo Declines (since last July)**





Los Angeles Times

SUBSCRIBELOG IN

Q

BUSINESS

Truckers, dockworkers suffer as coronavirus chokes L.A., Long Beach ports cargo



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OPINION

L.A. Times electoral endorsements for November 2022

CALIFORNIA

Your voting guide to the 2022 California midterm election

DOGBITS

Plechke: Dodgers go from biggest winner

The New York Times



Port of Los Angeles, the main port of entry for goods from Asia, has seen significant congestion in the pandemic. (The New York Times)

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Narrow Window to Clear Clogged U.S. Port Hinges on Demand Waning

- Supply chains are strained by stockpiling, healthy consumers
- Dockworkers' contract talks cloud outlook, add risks of snarls



USNI News

Against Late War

Home > U.S. Navy > LA County Supervisor Requests USNS Mercy Return To Los Angeles After COVID-19 Surge



LA County Supervisor Requests USNS Mercy Return To Los Angeles After COVID-19 Surge

By Mallory Sheelbourne

December 31, 2020 3:57 PM

Ads by Google

Stop seeing this ad Why this ad?

USNS Comfort (T-AH-19) departs Los Angeles on May 11, 2014. Navy Photo

*'I've Never Seen Anything Like This': Chaos Strikes Global Shipping*

The pandemic has disrupted international trade, driving up the cost of shipping goods and adding a fresh challenge to the global economic recovery.




Give this article

378

A record number of cargo ships are stuck outside LA. What's happening?

Port complex of Los Angeles and Long Beach, already the busiest in the US, has seen major traffic this week as imports boom



Container ships sit in the ocean waiting to unload their cargo at the ports of Los Angeles and Long Beach on 22 September. Photograph: Mike Blake/Reuters

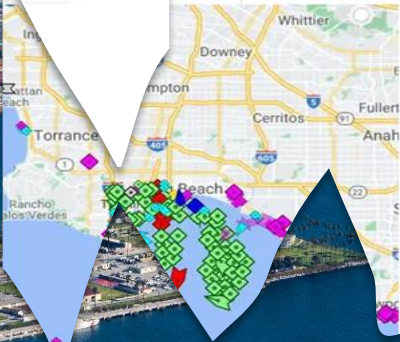
Southern California is dealing with a traffic jam unlike any other, as a record number of container ships have been stuck waiting in the waters outside the ports of Los Angeles and Long Beach to unload cargo.

The bottleneck this week at America's busiest port complex is the result of a shortage of trucks and drivers to pick up goods, coupled with an overwhelming demand for imported consumer products.

As of Wednesday, 62 container ships were waiting offshore to unload cargo, according to the Marine Exchange of Southern California.

The backup of ships has grown since last week, when 60 ships were waiting to unload. On Sunday, there were a record 73 cargo ships waiting to enter the ports.

The surge has put increasing pressure on the Los Angeles-Long Beach port complex, already the largest in the US and the ninth largest in the world. Together the ports handle 40% of container imports in the US and 30% of exports. They serve as a gateway for goods from Asia.





# Media Engagement



**FOX BUSINESS**  
**U.S. PORTS LOGJAMMED**  
BUSIEST PORT IN AMERICA FACING RECORD BACKLOGS  
**SUPPLY CHAIN CRISIS**  
NAS FUT 14,518.50 ▼ 136.75 -0.93% RUS2K FUT 2,205.50 ▼ 18.00 -0.81%  
GLOBAL INDEXES KX-FT 6,997.32 ▼ 79.78 CAC 40 (CAC40-FR) 6,478.21

Via Skype  
Los Angeles  
6:47 AM



**GLOBAL SUPPLY CRUNCH**  
**PORT OF LOS ANGELES LOOKS TO EXTEND OPERATING HOURS**  
ADVISES COVID-19 BOOSTER SHOTS OF THE PFIZER/BIONTECH AND MODER FIRST MOVE  
**LIVE CNN**  
DOW ▲ 0.34%



**POWER LUNCH**  
**SHIPPING BACKLOG DOCKS JAMMED AT PORT OF LA**  
**CNBC**



**THE PORT REPORTS**  
**yahoo! finance**  
**PORT OF LOS ANGELES EXECUTIVE DIRECTOR ON CHINA OUTLOOK**  
**LIVE**



**SQUAWK BOX**  
**PROBLEMS AT THE PORTS**  
HOW TO FIX U.S. SUPPLY CHAINS  
**CNBC**



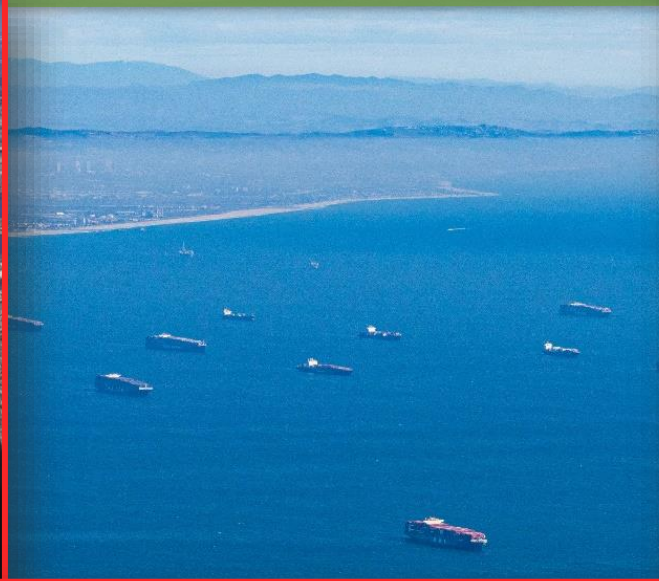
# Media Engagement



**SQUAWK ON THE STREET**

**UNION TALKS AT WEST COAST PORTS GOING WELL - LABOR SEC.**

**CNBC**



**LOS ANGELES PORT SOUNDS ALARM OVER CARGO BACKLOG**

**CBS EVENING NEWS WITH NORAH O'DONNELL**

**NEWSNATION ONE-ON-ONE**

**RIISING U.S.-CHINA TENSIONS COULD STRAIN SUPPLY CHAIN**

**SPORTS**

**NEWSNATION**

**SQUAWK BOX 100**

**PORT OF LA: OUR TERMINALS STILL HAVE CAPACITY**

**CNBC**

**Gene Seroka**

**PORT OF LOS ANGELES EXECUTIVE DIRECTOR**

**Supply Chain Pain**

**CARGO SHIPS DOCKED OFF LA COAST AT ALL-TIME HIGH**



# Stakeholder Engagement





# Leadership Engagement



**Pete Buttigieg**  
US Secretary of Transportation



**Marty Walsh**  
US Secretary of Labor



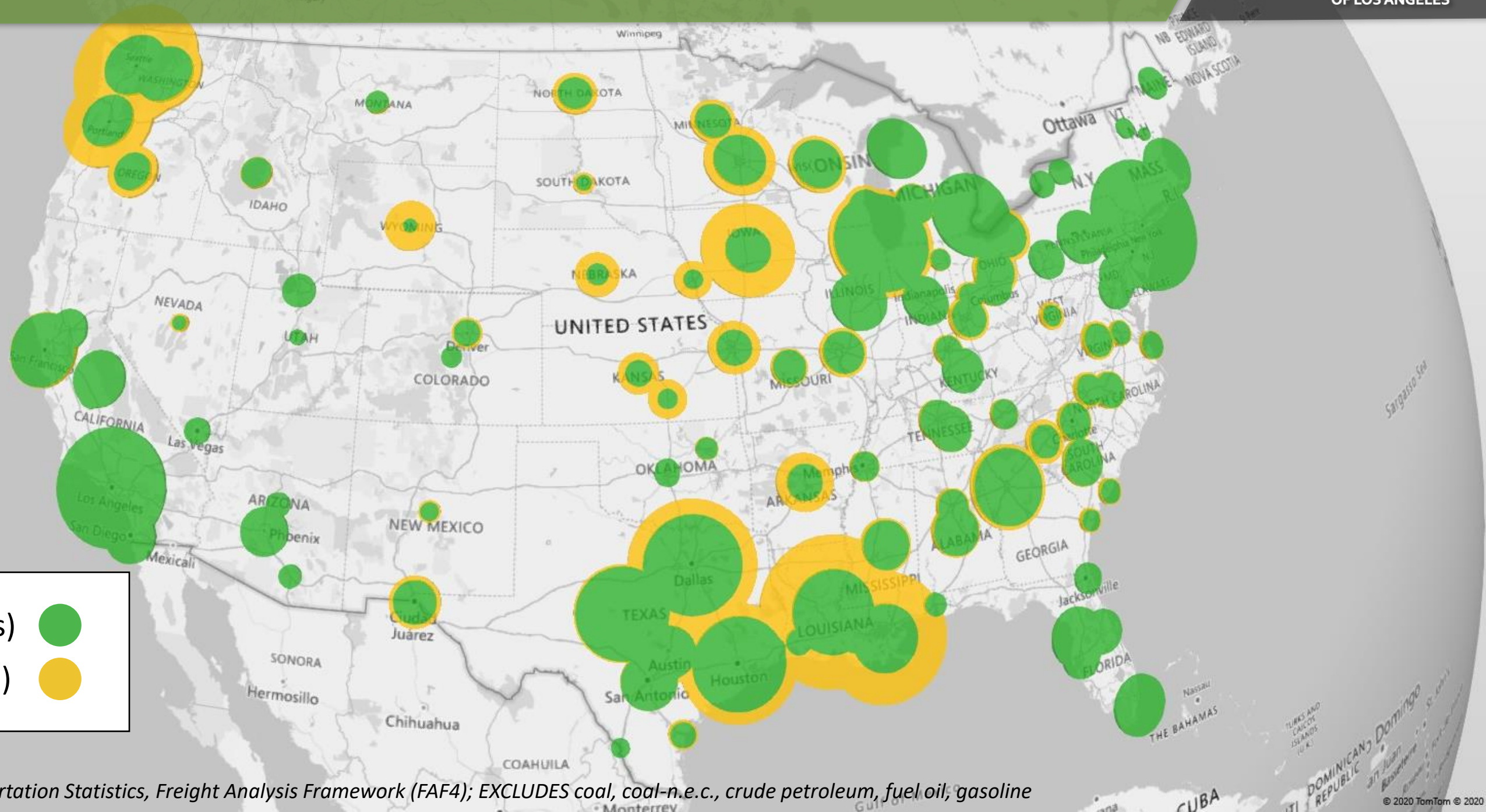
**Gov. Newsom & Mayor Garcetti**  
with USNS Mercy Command



**Governor Gavin Newsom with**  
State, County and City Leaders



# US Imports and Exports



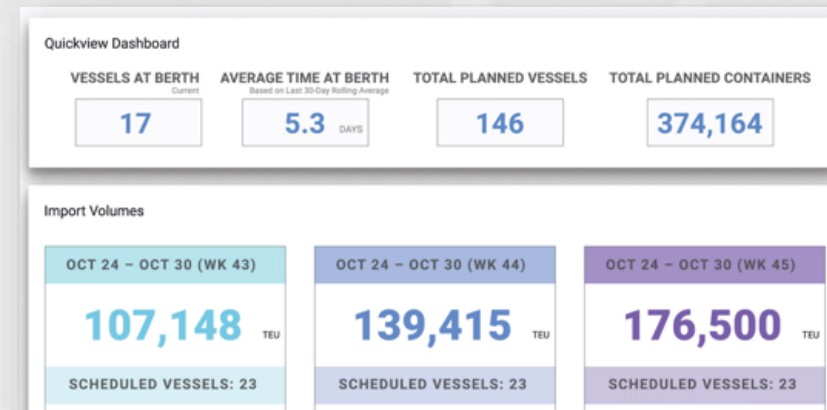
Source: Bureau of Transportation Statistics, Freight Analysis Framework (FAF4); EXCLUDES coal, coal-n.e.c., crude petroleum, fuel oil; gasoline



# Technology Acceleration



- Port-wide container dwell metrics
- Truck turn time averages
- Advanced cargo information based on actual vessel manifest data
- Truck/rail gate metrics
- Enhanced 3-week look ahead data
- Expanded inbound vessel information





# Outlook

## ECONOMY



## DIGITALIZATION



## SECURITY



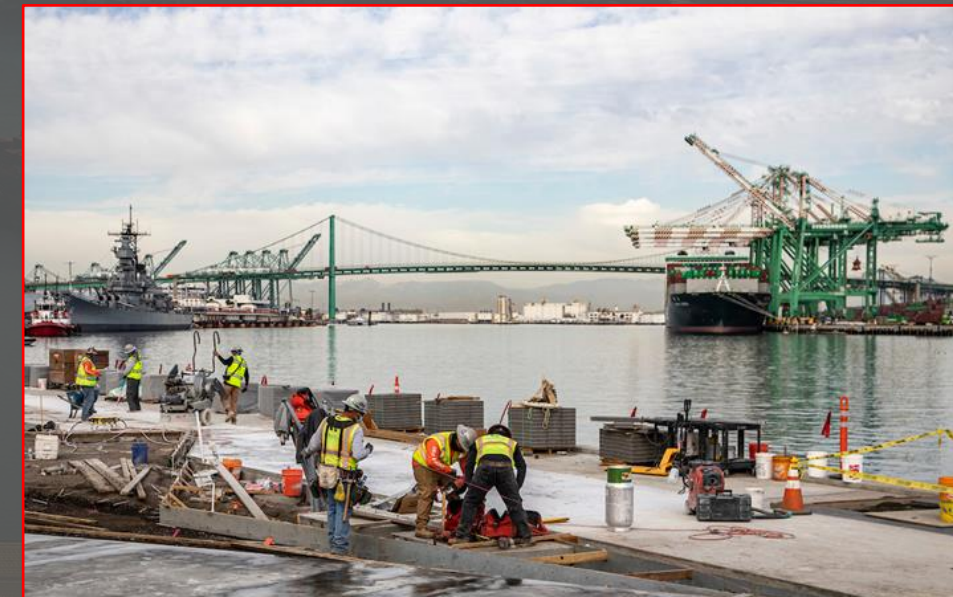
## LABOR AGREEMENTS



## EXPORTS



## INFRASTRUCTURE





# THANK YOU

*askgene@portla.org*

@PortofLA



portoflosangeles.org





# APL Logistics Supply Chain Symposium: Logistics Ecosystem in Vietnam

**Phong Do**

*Head of Customs Management  
Supervision Department  
Binh Duong Customs Department*

NAVIGATING THE NEW NORMAL



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# APL Logistics Supply Chain Symposium:

## Guest Speakers

**GENE SEROKA**

*Executive Director, Port of Los Angeles*

**TUAN HUYNH**

*Chief of Binh Duong Export & Customs*

**PHONG DO**

*Head of Customs Management Supervision Department  
Binh Duong Customs Department*

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# APL Logistics Supply Chain Symposium:

SUPPLY CHAIN TRENDS 2024  
Ho Chi Minh City, Vietnam

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# AGENDA

1

APL Logistics

2

Supply Chain  
Trends 2024

3

Defining  
Opportunities





# PART OF THE KWE GROUP



A member of the KWE Group

## LEADING GLOBAL LOGISTICS COMPANY

Global  
Network

45 countries

300 cities

683 sites

Global  
Industry  
Ranking

Air Freight 10<sup>th</sup>

Sea Freight 18<sup>th</sup>

Source: Armstrong & associates 2022  
Global Freight Forwarders ranking

Net Sales and  
Operating  
Income

Net Sales  
1,080,949  
Operating Income  
44,185  
*Millions of Yen*

Air Freight  
Handled

637,000  
Tons

Sea Freight  
Handled

698,000  
TEUs

Number of  
Employees

18,552



# APL LOGISTICS AT A GLANCE

Global, Asia-based provider of  
Order Management services

Neutral player  
– delivering objectivity and long-  
term value



MORE THAN 60 COUNTRIES

120+ SERVICE LOCATIONS

~17,000 PROFESSIONALS



## MAXIMS GUIDING STRATEGIC ACTION

1

Premier Order Management provider  
in the world

2

Improving the communities in which  
we operate

3

Accountable to our employees, each  
other and our customers

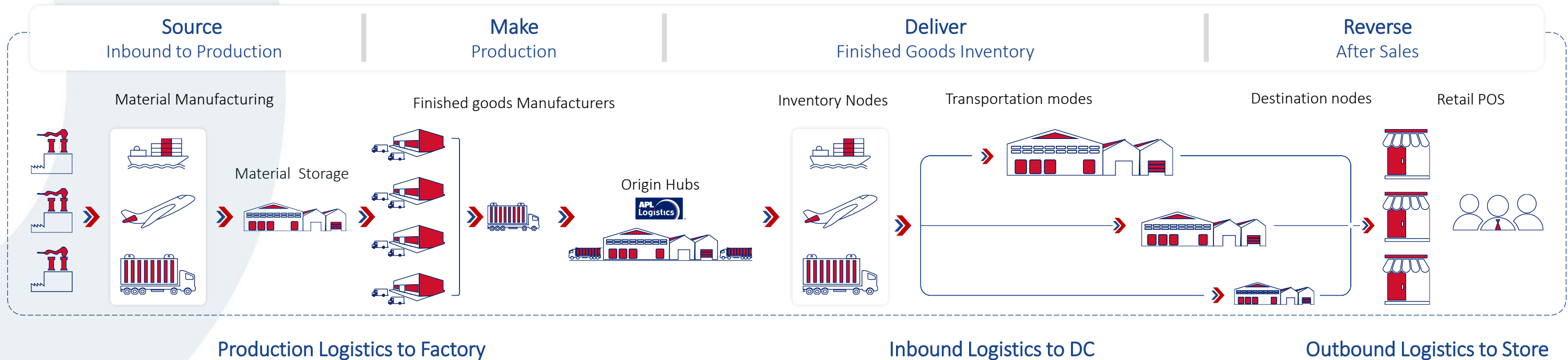
4

Employer of Choice in our  
chosen markets



# ORCHESTRATING PRODUCT FLOWS THROUGH OMS

OPTIMAL PRODUCT FLOW MODELS REDUCING LEADING TIME, COSTS AND GHG EMISSIONS





# APL LOGISTICS, A VIETNAM PIONEER

ESTABLISHED IN 1995

## FIRST 100% F.O.E



### Strong Heritage



### Extended Operating Footprint



3 Facilities  
62,500 Sqms



5,600,000  
CBMs\*

### Customs Brokerage



54,000 entries

### Transportation



700+  
Truck moves  
per day



50,000  
shipments per

\*2022 through-put volume



# AGENDA

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APL Logistics

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Trends 2024

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Opportunities



# 2024 NEED FOR GREATER RESILIENCE AND FLEXIBILITY

TO ACT IN A FAST-CHANGING MANUFACTURING AND SHIPPING ENVIRONMENT.

“

Companies looking to establish resilience in the wake of the pandemic already are putting rebuilt sourcing and logistics strategies to work.

Wall Street Journal, Jan 2024

1

Regional Differences  
in Economic Growth

2

Demand changes,  
Rationalize inventory

3

Supply Chain  
Restructuring

4

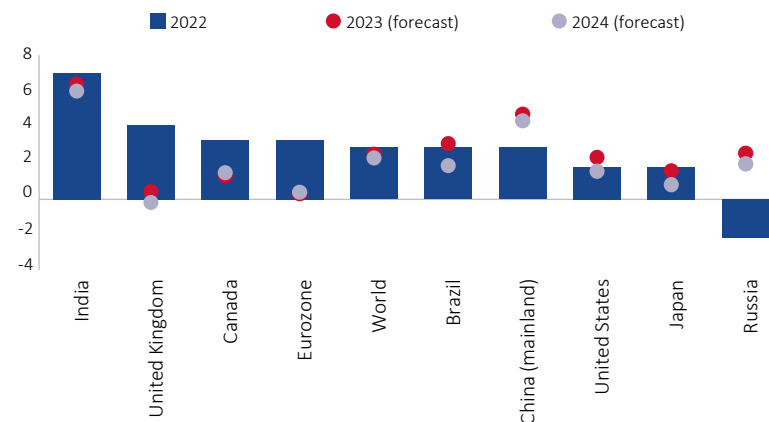
Logistics as a Strategy,  
Increased Visibility  
New Disruptions

5

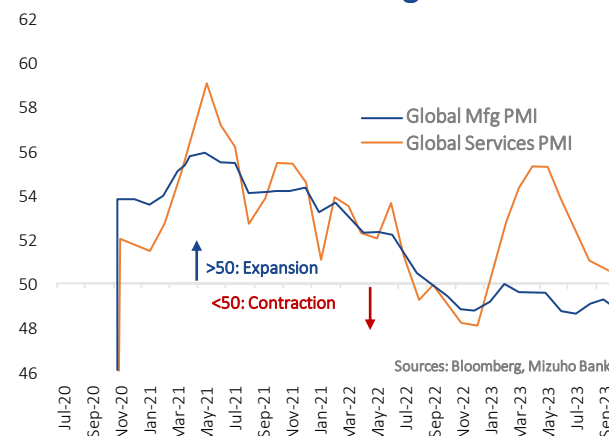
Sustainability and ESG

## Key growth forecasts

Real GDP (% annual change)

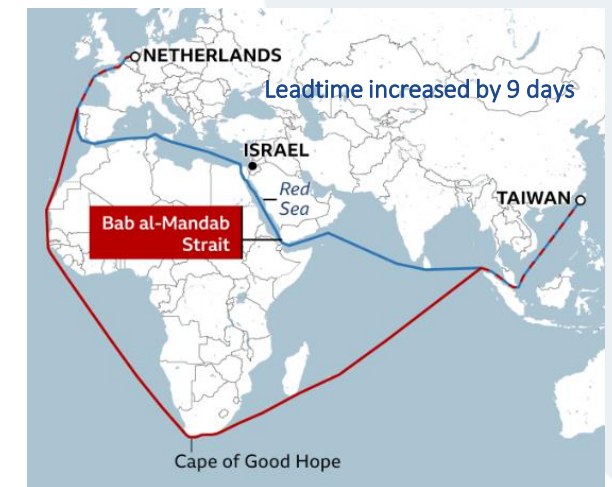
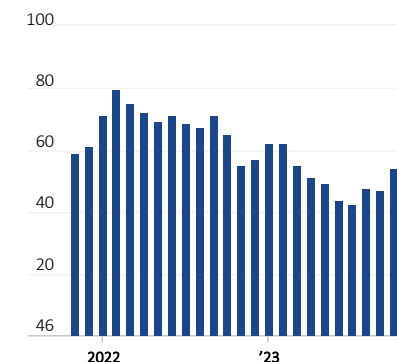


## Global PMIs: Earlier Divergence Between Manufacturing and Services



## Destocking

The Logistics Managers' Index measuring U.S. companies' inventories was down 19% in November from a year ago.





# “YEAR OF EFFICIENCY”

Surveyed  
executive from  
companies like

**BRIDGESTONE**  
Solutions for your journey

**Walmart+**

**Pfizer**

**Dole**

**P&G**

**DANONE**  
ONE PLANET. ONE HEALTH

**IKEA**

**Yum!**

**KFC**

**Pizza Hut**

**Nestlé**

**zoetis**

**LEGO**

**Johnson & Johnson**

**MARS**

**Vestas**

**ThermoFisher**  
SCIENTIFIC

**ESTÉE LAUDER**  
COMPANIES

**Mondelēz**  
International

**Lenovo**

**eCCO**

**TACO BELL**

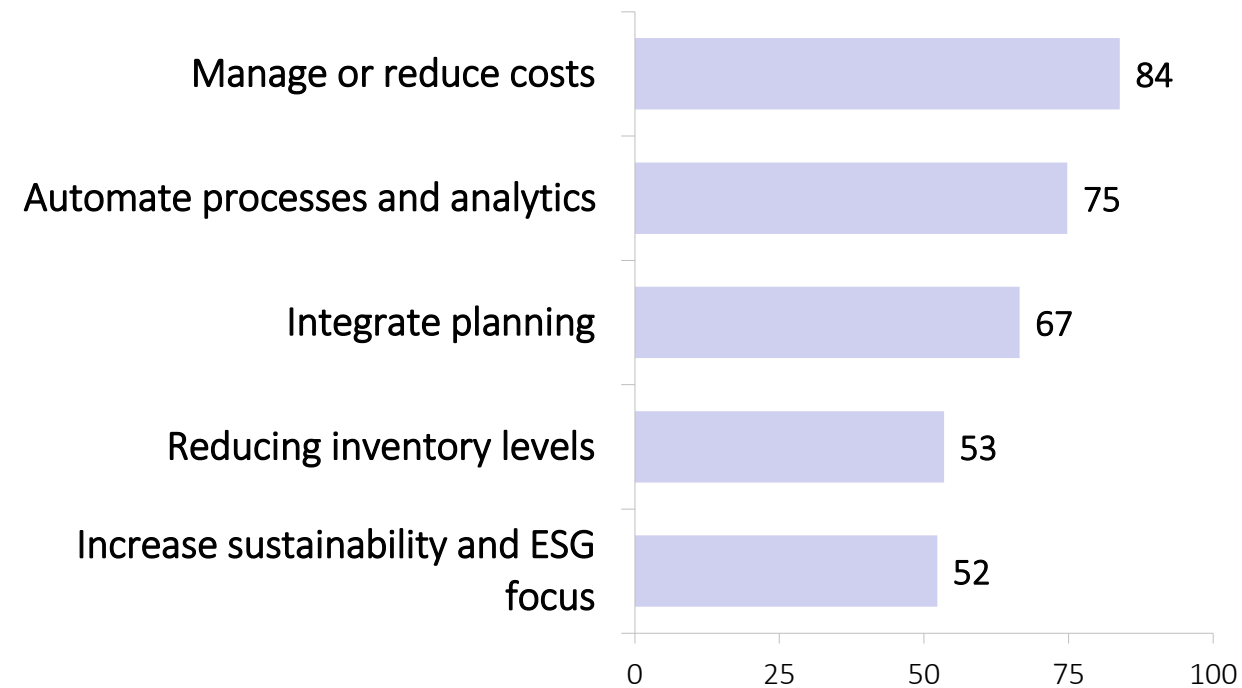
**the Habit**  
BURGER GRILL

**Henkel**

**TE**

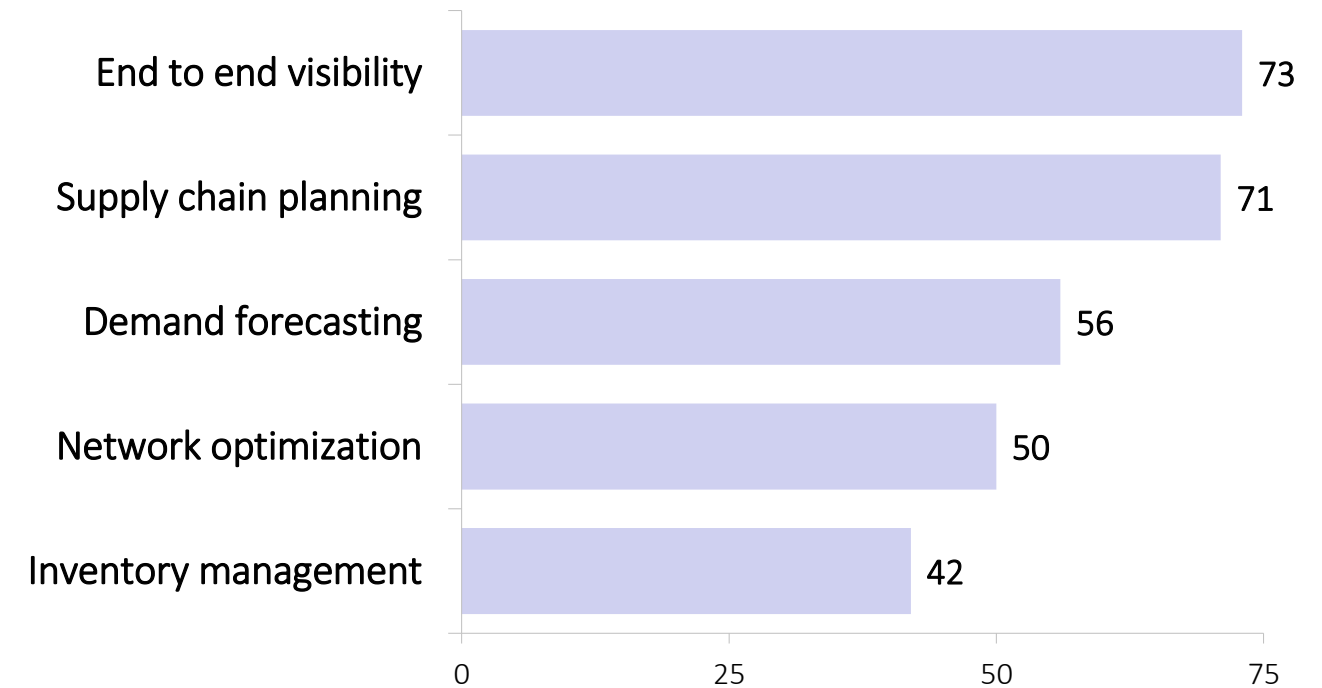
## Top operational priorities

*What are your top operational priorities for the next 12 – 18 months?*



## Solutions you want to invest in

*What are the solutions you have allocated a budget for and plan to implement/upgrade in 2023?*



[A Look at Supply Chain Priorities 2023: According to the Industry \(alcottglobal.com\)](https://alcottglobal.com)

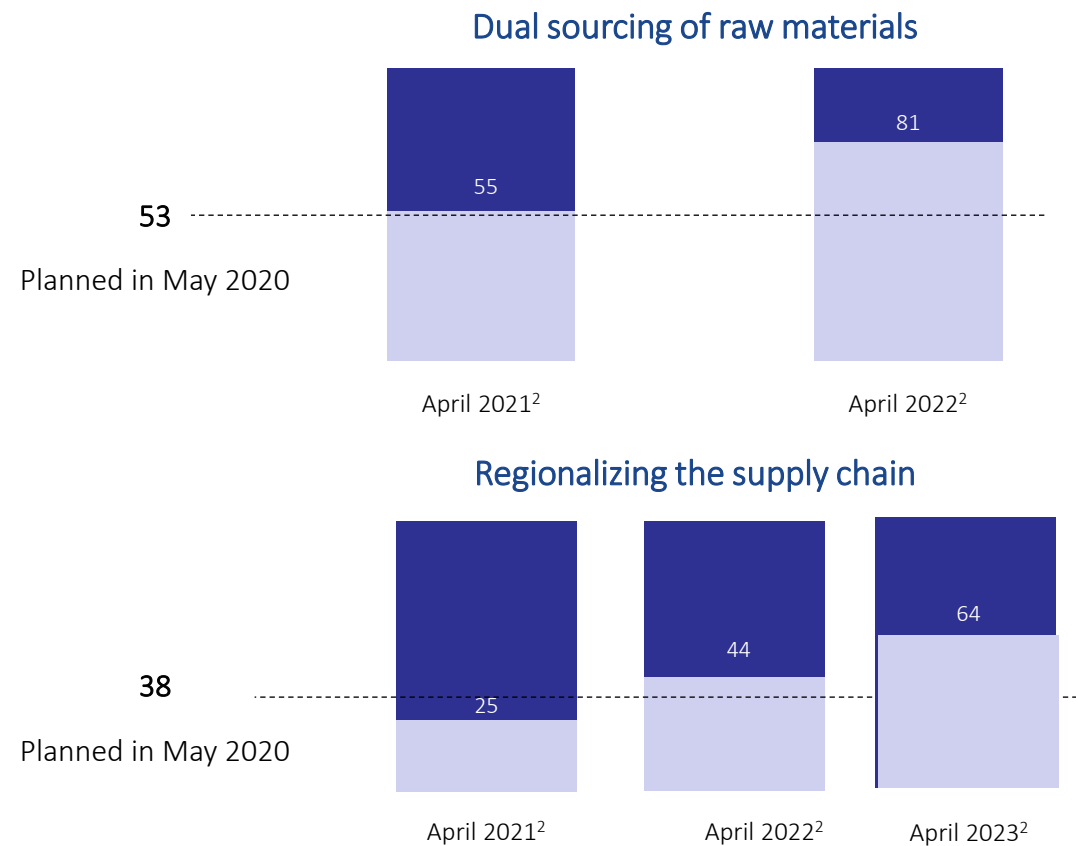


# FOCUS ON RESILIENCE

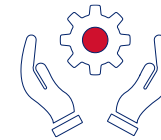
## INVENTORY MANAGEMENT AND SOURCING STRATEGIES

**While higher inventories and dual-sourcing strategies are the most common supply chain resilience measures, regionalization is gaining momentum**

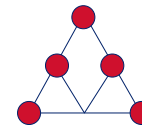
Supply chain change implementation, <sup>1</sup>% of respondents (n=113)



In 2023 63 percent of respondents - **ensure resilience while reducing inventories**



**Dual Sourcing Strategies:** 81 percent of respondents say that they have implemented



**Regional Networks:** In 2023, 64 percent of respondents say they are developing **regionalized supply networks**

<https://www.mckinsey.com/capabilities/operations/our-insights/taking-the-pulse-of-shifting-supply-chains>

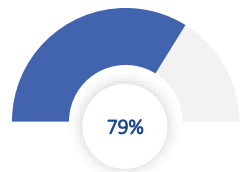


# FOCUS ON SUPPLY CHAIN PLANNING AND VISIBILITY

## Resilient supply chain planning is built on three interdependent pillars

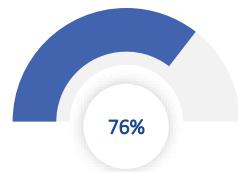
Planning resilience recipe, share of respondents (n = 113)

### End-to-end (E2E) visibility



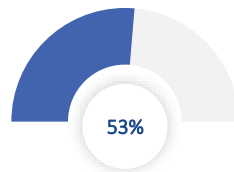
Implement dashboards for E2E supply chain visibility  
Supply chain leaders who increased E2E visibility

### Advanced Planning



Implement scenario planning  
Supply chain leaders who implemented scenario planning

### Master data



Have sufficient or high master-data quality  
Supply chain leaders with high master-data quality

## Digitization priorities are shifting to demand and supply planning

Global supply chain leaders' agendas for digitization,<sup>1%</sup> of respondents (n = 113)

2021

Supply chain visibility



Specific supply chain planning tools (demand, supply inventory)



End-to-end planning



Network modelling



Supply chain disruption monitoring



2022

Demand planning



Supply planning



Inventory optimization



Supply chain visibility

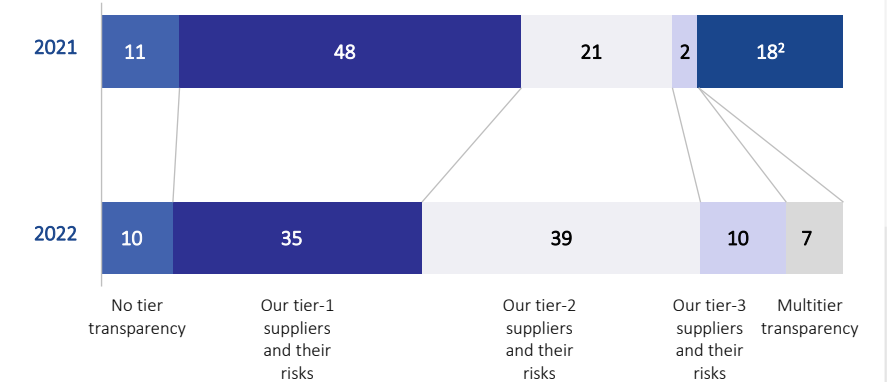


End-to-end planning



## Most companies still have limited visibility into deeper supply chain tiers

Global supply chain leaders' visibility into supply chain tiers,<sup>1%</sup> of respondents (n = 113)



## VISIBILITY:

- Digital dashboards for end-to-end supply chain visibility.

## ADVANCED PLANNING SCENARIO PLANNING

- CAPTURING THE DEMAND SIGNAL
- DEMAND AND SUPPLY PLANNING
- PRIORITIZING INVENTORY OPTIMIZATION

## RAW MATERIAL SHORTAGE

- Risk remains a priority
- No visibility into their upstream supply chain or that they can see only as far as their first-tier suppliers

<https://www.mckinsey.com/capabilities/operations/our-insights/taking-the-pulse-of-shifting-supply-chains>



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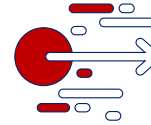
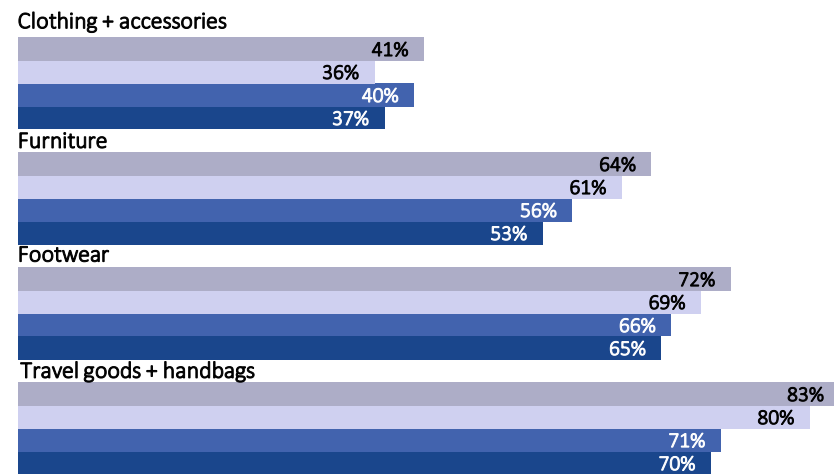


# SEA: GLOBAL DIVERSIFICATION AND REGIONALIZATION



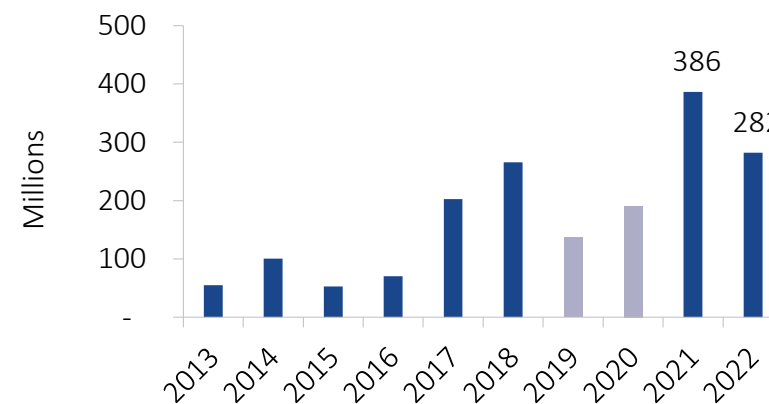
## China+1

China's share of global exports of consumer goods has fallen since 2016



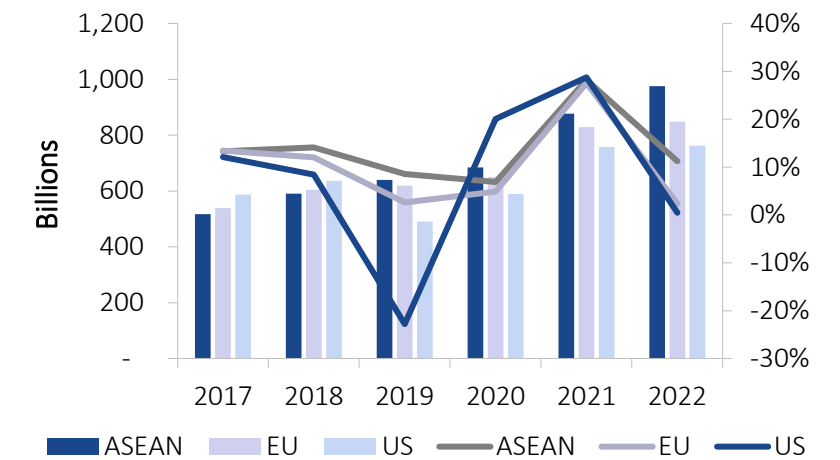
## Growth of Mexico

FDI Inflows from China to Mexico (in US\$m)



## Growth of ASEAN

ASEAN - THE LARGEST TRADE PARTNER OF CHINA  
(in US\$ billion & Y-o-Y% Growth)





# VIETNAM TRENDS

“ While the US is an important export market, China remains the main source of essential raw material imports needed to fuel Vietnam’s export-oriented growth

EIU 2023

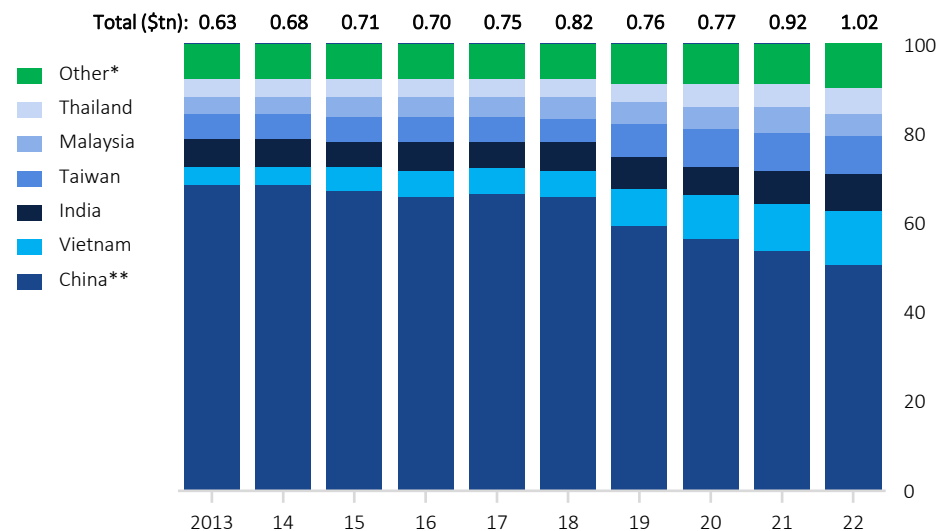
1

## Benefiting from China +1

- Stable FDI & PMI
- Slowdown from demand markets
- RCEP boon for Vietnam

### US is importing more from other low-cost Asian countries at Chinas expense

Breakdown of imports from Asian low-cost countries (%)



\*Includes Philippines, Indonesia, Pakistan, Sri Lanka, Bangladesh, Singapore and Cambodia

\*\* Includes US imports from Hong Kong

Source: Kearney Reshoring Index

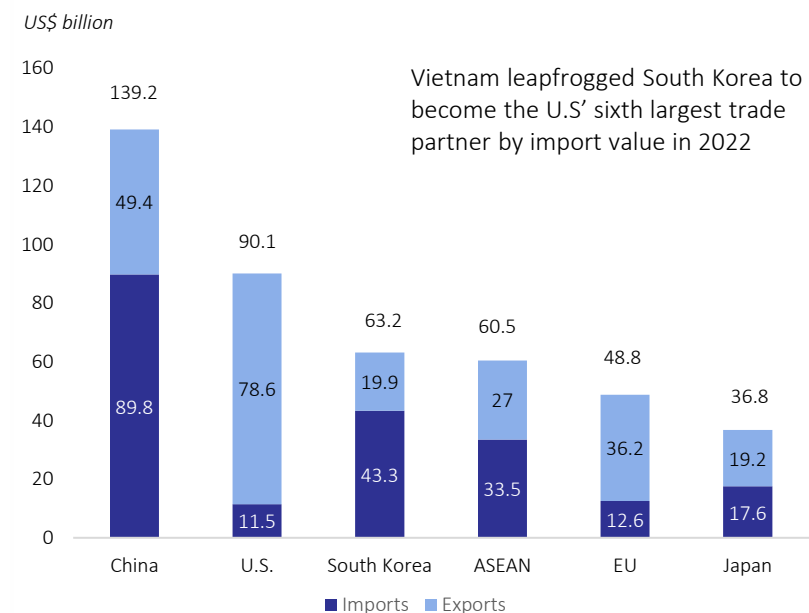
©FT

2

## Vietnam-US relationship upgrades

- Biggest market share expansion in the US recorded
- Focus on the supply of materials, components for the energy, aviation, digital economy, semiconductor, and artificial intelligence sectors to the US market.

### Vietnam’s trade with biggest partners during January-October 2023

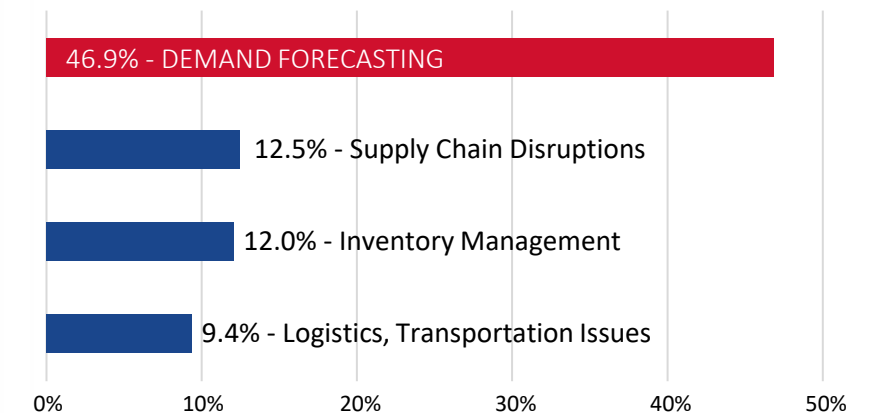


3

## Increasing Logistics cost due to capacity Issue

- Trucking cost from North to South (2.2k\$) is equivalent to Freight from VN to US.
- Vietnam is a prominent destination for supply chain relocation, but it is already approaching the upper limits of the capacity transfer (Vietnam’s 2.6% unemployment rate in 2022 is less than half of Asia Pacific’s 5.7%).

### 2023 Challenges Faced



<https://www.eiu.com/n/vietnams-diplomatic-upgrade-is-in-line-with-us-expectations/>

1. Source: Baochinphu.vn



# APL Logistics Supply Chain Symposium:

VISION FOR DELIVERING VALUE WITH  
TECHNOLOGY IN SUPPLY CHAIN &  
LOGISTICS

HAKAN YAREN

*Chief Information Officer*

NAVIGATING THE NEW NORMAL



A member of the **KWE** Group



# UNCERTAINTY AS THE NEW NORMAL

BROOKINGS



FUTURE DEVELOPMENT  
Human development in an age of uncertainty

McKinsey  
& Company



When nothing is normal: Managing in extreme uncertainty

McKinsey & Company



United Nations  
Peace, dignity and equality on a healthy planet

LIVE NOW

Search

A-Z Site Index



DISASTER RELIEF

#GetToHighGround

Tsunamis can be deadly, but they needn't be. Early warning and early action are effective tools to protect people, saving lives, and preventing the hazard from becoming a disaster. To be effective, tsunami early-warning systems must cover every at-risk person, they must be multi-hazard, and communities must be prepared so they can act quickly. For World Tsunami Awareness Day (5 Nov), the United Nations calls on countries, international bodies and civil society to raise tsunami awareness and share innovative approaches to risk reduction. #TsunamiDay #GetToHighGround

How Do You Lead in a World in Permanent Crisis Mode?

Mary Mesaglio

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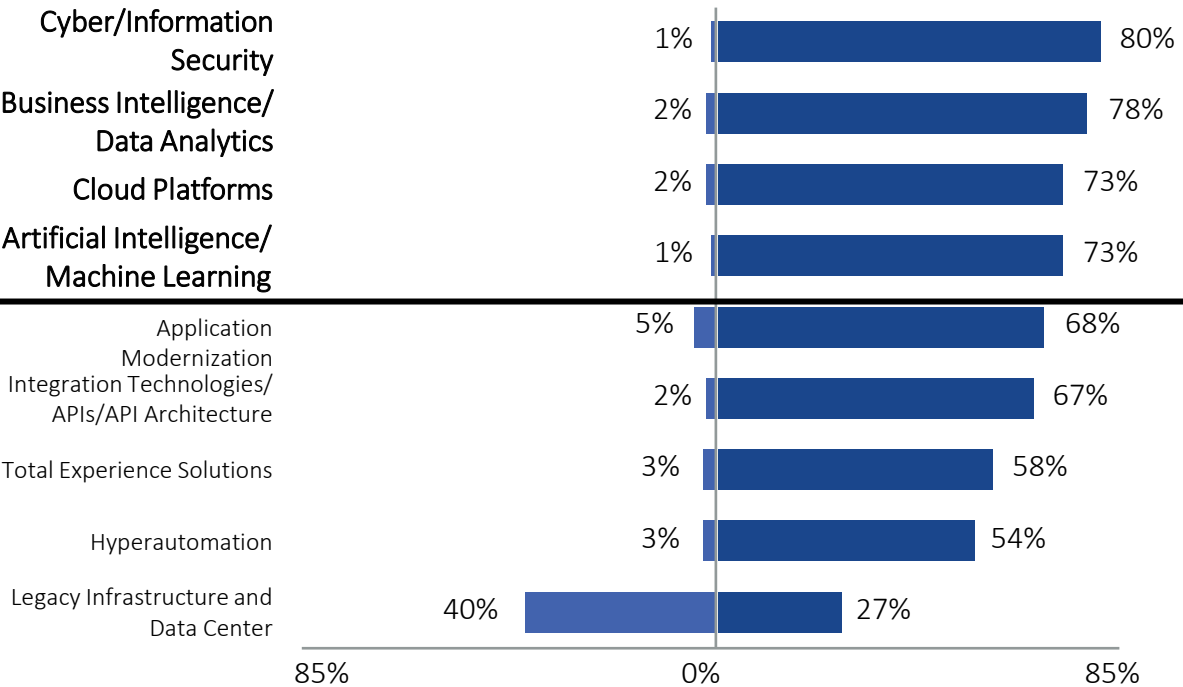
Gartner



# TECHNOLOGY OFFERS RESILIENCE & INNOVATION

## Changes in Technology Investments

Percentage of Respondents Decreasing Investment      Percentage of Respondents Increasing Investment

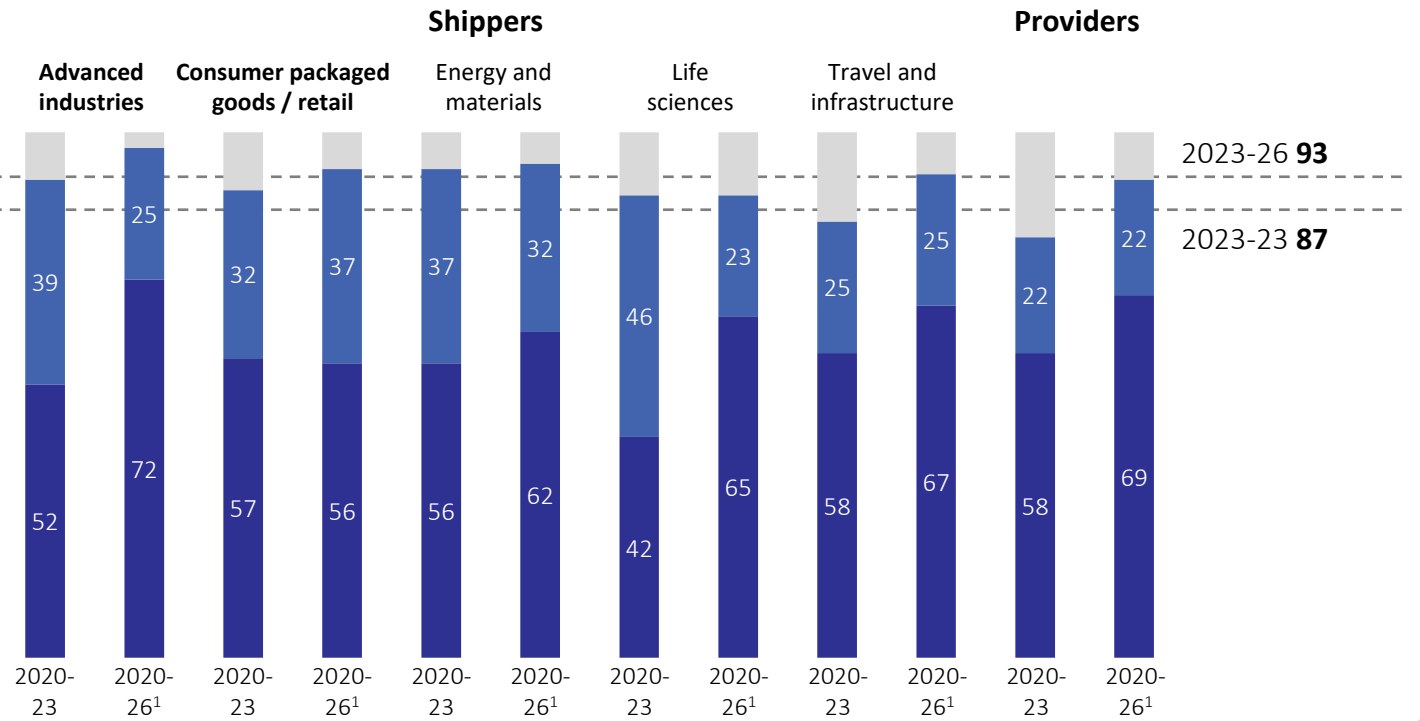


Source: 2024 Gartner CIO and Tech Exec Survey

## Investment in digital logistics strong across all sectors expected to continue

Actual and expected investment in logistics technology type and shipping sector,<sup>1</sup>% of respondents

Decrease      No Change      Increase      ----- Overall percentage that has maintained or growth investment



Source: McKinsey Logistics Survey, May 2023

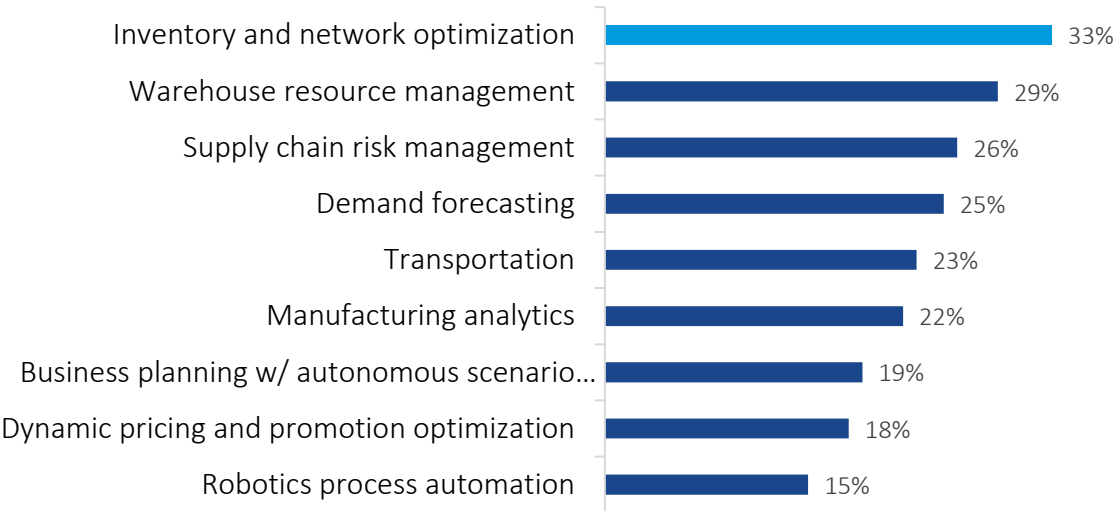
- IT budgets across the globe expected to increase between 2.7 to 5.2% in 2024
- Significant investment increases in **cyber, cloud and AI/ML** capabilities are expected
- Digital Logistics investments continue to take a larger share of the IT budgets across all industries with **advanced industries** leading the way



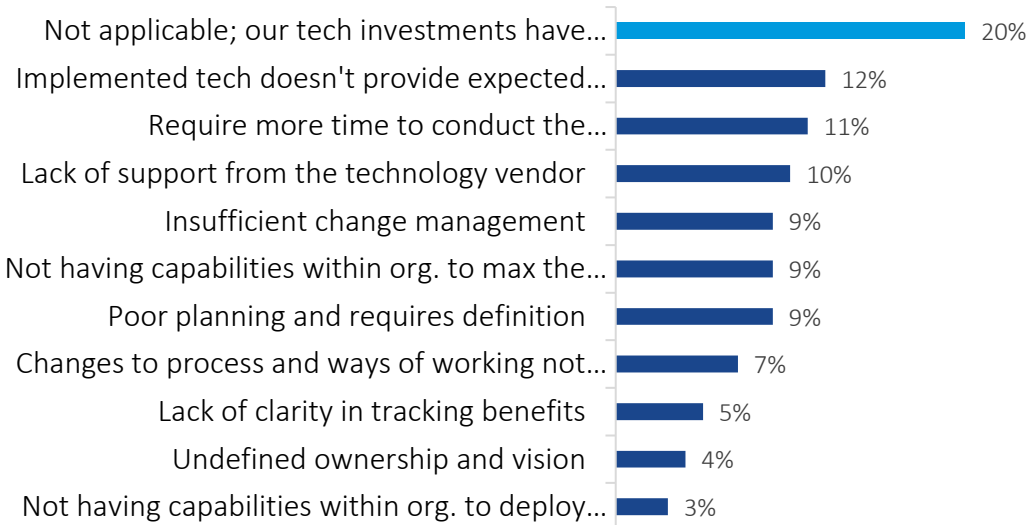
# WRESTLING SUPPLY CHAIN UNCERTAINTY & COMPLEXITY WITH AI/ML and TECHNOLOGY

AI/ML opening up capabilities in digital logistics led with optimization, resource and risk management.  
However, technology alone does not deliver results...

## Organizations are leaning on AI/ML to improve efficiencies in their Supply Chain



## Why are tech investments in supply chain coming up short? Many reasons



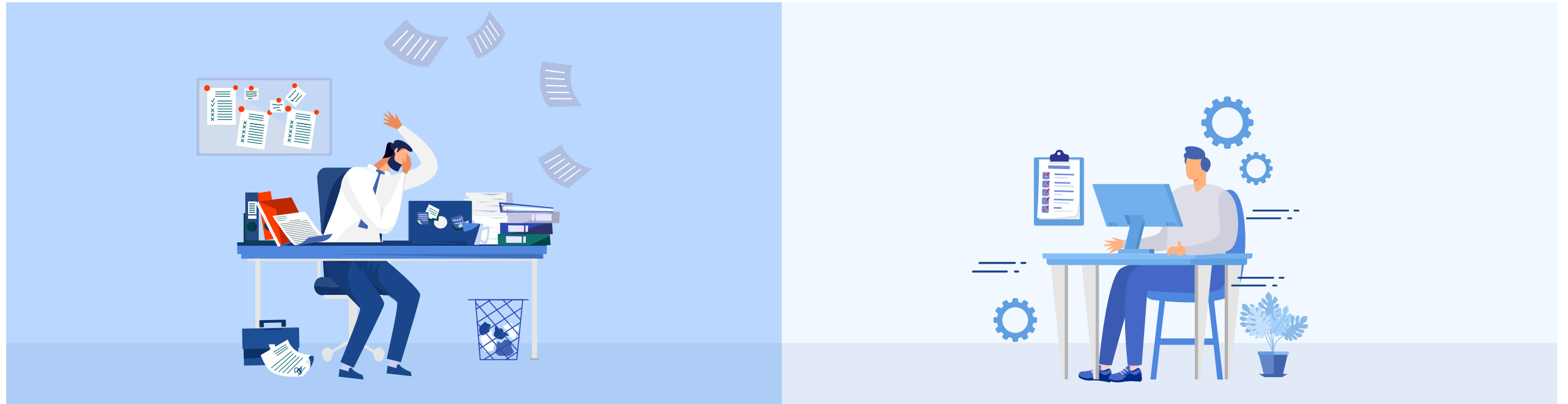
Sources:  
PwC Digital Trends in Supply Chain Survey 2022  
Blue Yonder Supply Chain Executive Survey 2024



Four out of five executives stated that supply chain technology did not fully deliver the expected results



# CHANGING CUSTOMER EXPECTATIONS



- Manual
- Batch
- Siloed

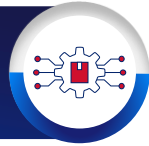


- Digital
- Real Time
- Connected



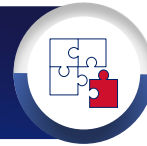
# SUPPLY CHAIN TECHNOLOGY VALUE

## Reduce Manual Work



Automate data flows and utilization from purchase order to invoicing, saving time, reducing errors, and improving decisions

## Speed up Integration

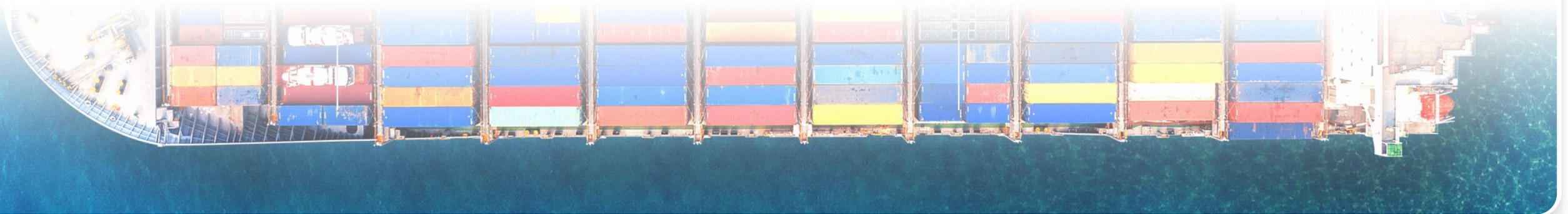


Data and insights sharing require all players in the value chain to be in sync.

## Provide E2E Visibility



Single-source-of-truth for the supply chain – views to give the stakeholders in the supply chain the insight and tools they need





# HOW DOES APL LOGISTICS LEVERAGE TECHNOLOGY CAPABILITIES TO SUPPORT OUR CUSTOMERS IN THIS COMPLEX ENVIRONMENT

JANUARY 2024



# APL LOGISTICS TECHNOLOGY TEAM

A global team of technology professionals in **Singapore, USA (Arizona)** and **India (Chennai)** serving as our central technology hubs supported by IT team members in **30+ locations around the world**.

## Our Core Values;



Zero Distance to Customers



Deep Logistic Tech Expertise



Speed to Market



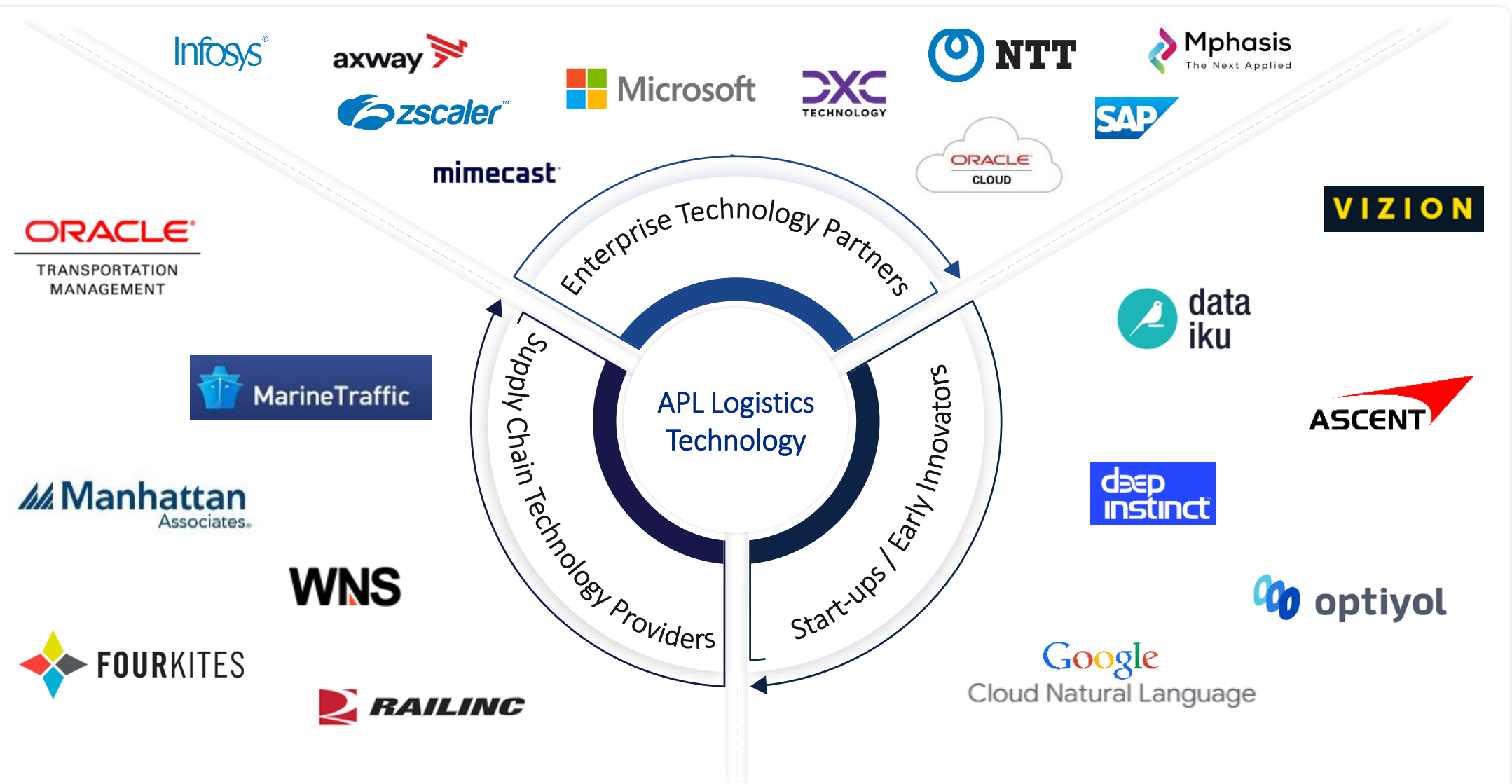




Our approach to technology is harmonizing our core capabilities with external best-of-breed solutions.

APL Logistics technology investment is in transportation and logistics industry best-in-class range and approved by the APLL Board for a 3-year rolling period.

# MASTERY ON DATA, INTEGRATION AND AUTOMATION





# APL LOGISTICS TECHNOLOGY AREAS OF FOCUS

APL Logistics strives to be the premiere Order Management Services provider globally

ONE

Digital Customer  
& Employee  
Experience

TWO

Data, AI &  
Interoperability

THREE

Industry-leading  
Logistics  
Capabilities

FOUR

Scalable  
Cloud  
Technology

FIVE

Resilient  
Cyber Security &  
Network

- Digital experience solutions to enhance end user experiences
- Digital workplace transformation to amplify employee productivity & collaboration
- Build Data products and analytics solutions /platforms to drive efficiencies & insights
- Innovate across the value stream by leveraging emerging technologies (AI/ML, RPA, Robotics etc.,)

- Modernize core systems / transform business process (Workflows, Automation, APIs, Open Source etc.,)
- Adopt more SaaS based cloud products over custom solutions / applications
- Accelerate cloud initiatives across the organization to drive enterprise agility & transformation
- Strengthen enterprise-wide Cyber Security practices

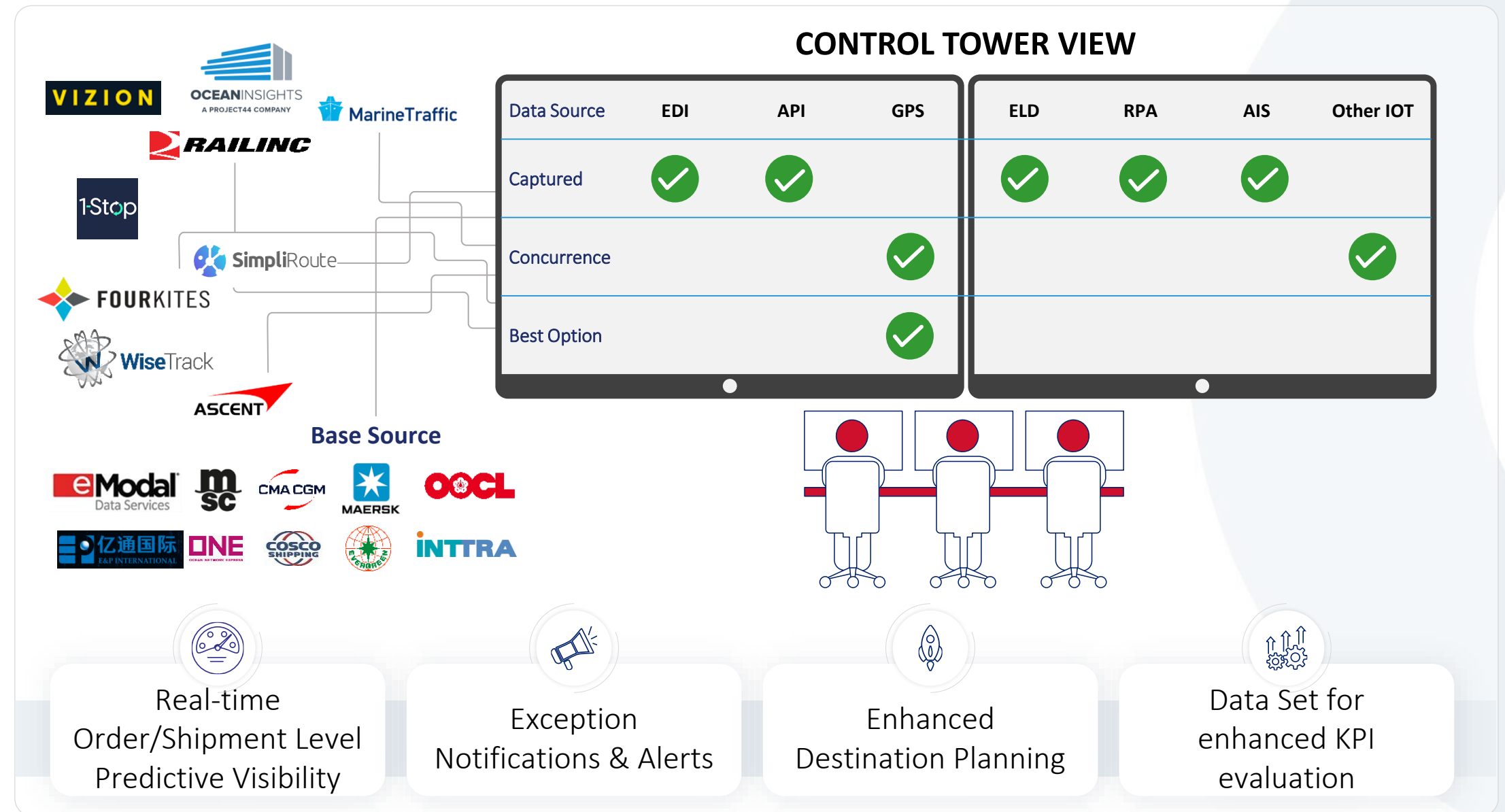
# VISIBILITY THROUGH INTEROPERABILITY

AGGREGATING THE BEST SOURCE OF DATA – MAKING DATA ACTIONABLE



## WE POSITION AS THE AGGREGATOR OF AGGREGATORS

- Integration with major carriers and ports
- Integration with data aggregators
- Leveraging emerging AI/ML technologies
- Team of experts overseeing quality and consistency of data



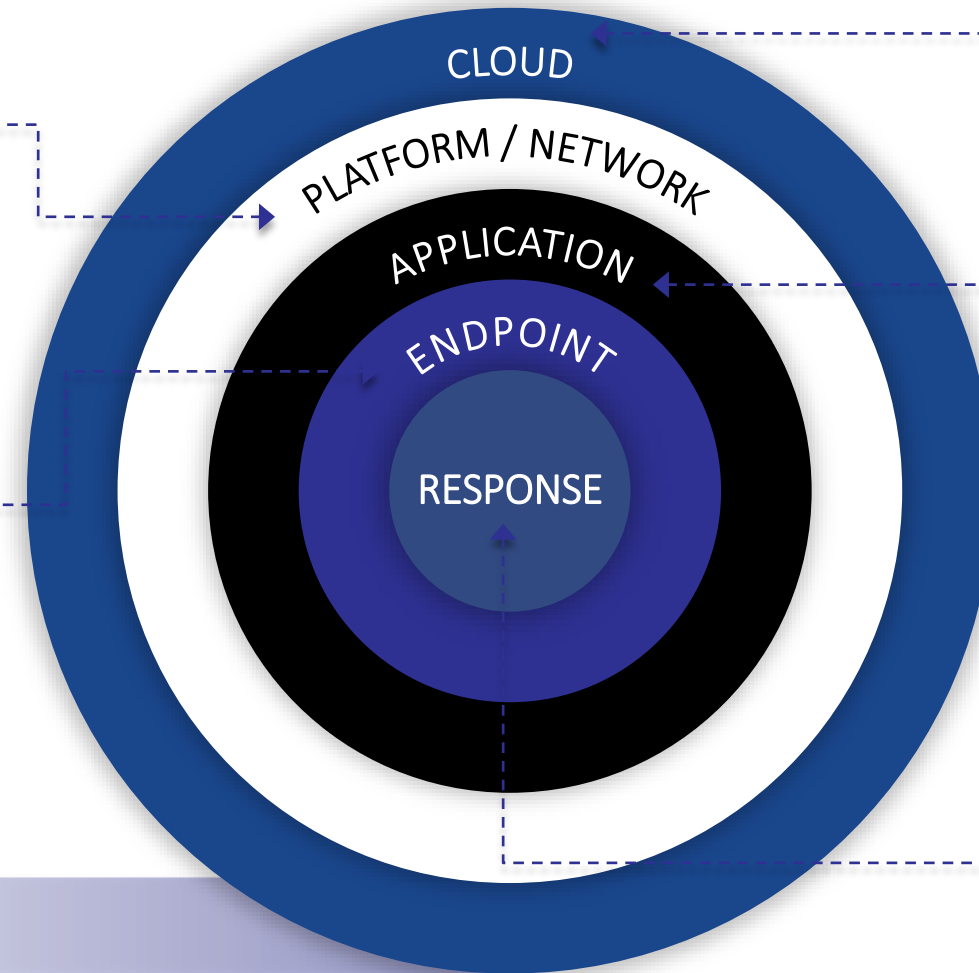


# APL LOGISTICS TECHNOLOGY ENVIRONMENT

MULTI-TIERED SECURE, SCALABLE, RESILIENT FRAMEWORK

- Secure public and private Cloud environment and Network
- Planned and Practiced Disaster Recovery Process and Incident Response
- 24 x 7 Application and Infrastructure Managed Services
- Hybrid Application Development Structure for scalability (Insource, Outsourced)
- Cyber security Insurance to provide comprehensive coverage against cyber risks

- Penetration Testing
- Vulnerability Assessment
- Next Generation Firewalls
- Network based Intruder Prevention System
- AI based Signature-less Anti-Virus Solution
- Threat Intelligence Subscription



- Single Sign-on (SSO)
- Multi-Factor Authentication
- Single Sign-on (SSO)
- Penetration Testing
- Multi-Factor Authentication
- Vulnerability Assessment
- Host-based Intruder Prevention System
- Systems Patching & Hardening
- Security incident response plan
- Host-based incident response tools

# DIGITAL CUSTOMER EXPERIENCE

Proprietary digital platform  
for order lifecycle planning, workflows &  
execution, real-time visibility & analytics



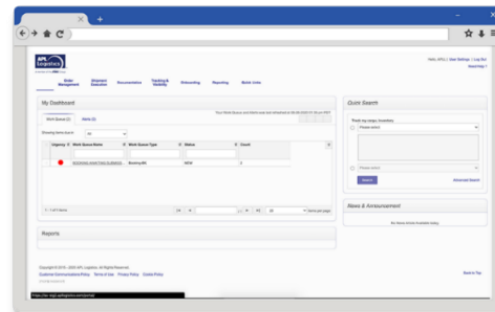
Open architecture  
Flexible, effective integration and  
collaboration between our customers  
and their trading partners

## MODELING



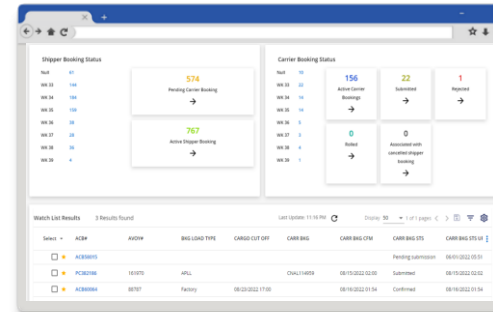
**Advanced Modeling** leveraging AI and ML at multiple stages of the order lifecycle to predict and control the success rate of the order. Validation, Forecasting, Simulation of order planning

## VENDOR COLLABORATION



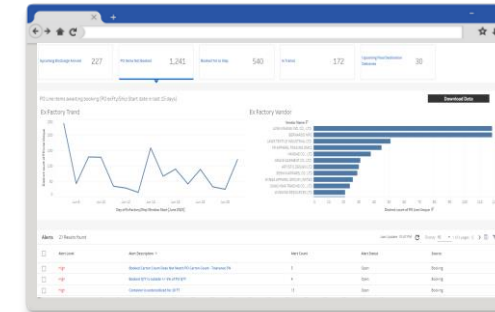
**Vendor-facing Workflow** Module for PO Confirmation, Production Status, Booking, eDocs Creation, Shipment Doc Mgmt., Barcode Label Creation, Container Load Plan

## TRANSPORT MANAGEMENT



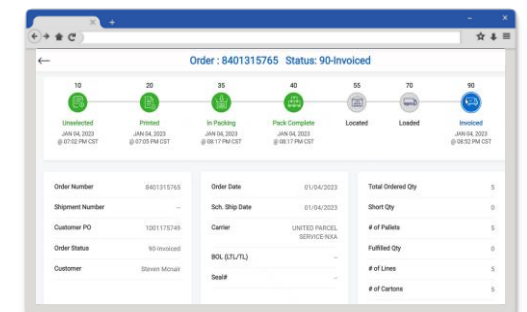
**Core Execution Engine** for Shipment Planning & Allocation, Routing, Load-Optimization, Carrier Workflows, Delivery Scheduling, Disruption Mgmt.

## VISIBILITY & ANALYTICS



**Customer-facing PO/Part level** exceptions-based lifecycle visibility. Map View. Trip Plan. Operational Reporting. Analytics and BI. Workflow & Case Mgmt. Repository for Docs, SOPs

## INVENTORY MANAGEMENT



**Inventory Visibility & Workflow** for DC Inbound Planning, Inventory Status, Outbound Visibility, Exception Workflows



# APL Logistics Supply Chain Symposium:

Leveraging the Order Management  
Solutions Advantage in Supply Chain

**JENS LARSEN**

*Head of Global Order Management Product Development*

**Alexer Yap**

*Managing Director (Vietnam, Cambodia, Myanmar)*

NAVIGATING THE NEW NORMAL



A member of the **KWE** Group

WORKING  
TOWARDS  
THE SAME  
GOALS

To be successful we have  
to **expect the unexpected**

Having the **ability to anticipate**  
increases likelihood of success

Getting the right product to the right place at the right time –  
in the most sustainable way, and at the best possible cost...



# SUCCESSFUL EXECUTION EASIER SAID THAN DONE

- ❶ Broken links in the **order and shipment planning** process and in the **interaction** between multiple departments in a company
- ❷ Operational **disruptions** across the local and global network
- ❸ Human **behavior** [that typically is not resolved through AI and ML] impacting **decisions**

Realities that continue to cause implications in many companies' supply chains, impacting

Revenue & Profitability



Ability to satisfy customers



# SUPPLY CHAINS REMAIN EXPOSED TO SUDDEN DISRUPTIONS

## GLOBAL SEAS ARE ROUGH





# SUPPLY CHAIN – RAISING AWARENESS

Major disruptions of the past years made many company leaders understand that supply chain logistics is 'not just a cost center' but the engine of your commercial success

Can we **meet customer demand**, both today and tomorrow?

Can we compete in the talent market to attract **people** with digital and operational skills



How do we meet our **sustainability** and **cost-to-serve** targets?

How do we **foster resilience**?

# BUILDING RESILIENCE IN YOUR ORGANIZATIONAL

**Resilient companies generated shareholder returns that were 50% higher than those of less resilient peers**

Source: McKinsey research

Resilience - the ability to deal with adversity, to withstand shock, and to adapt / respond fast.

- Speed and agility in your decision-making is essential
- Systems and processes are needed to detect and mitigate potential disruptions
- Planning – based on scenarios [as opposed to planning based on last year's budget]
- Top Talent / know-how to make the best decisions



# THE PREMIER GLOBAL ORDER MANAGEMENT PROVIDER





# CUSTOMER VALUE CREATION

## OUR FOCUS

Our solutions are designed to enable the following key benefits in your business:



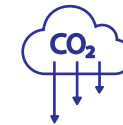
Revenue generation:  
sell products at full  
price, avoidance of  
penalties



Reduce  
operating cost



Improve  
working capital



Reduce  
emissions



Responsiveness and  
simplicity in your ecosystem



Improve the service you  
deliver to your customers





# TRUSTED PARTNER TO LEADING GLOBAL COMPANIES

200 companies Control Tower Order Management  
customers of which 30 are Fortune 500 enterprises

Long term view, enabling strategic improvement – we have been the partner of choice of many customers for more than 10 years

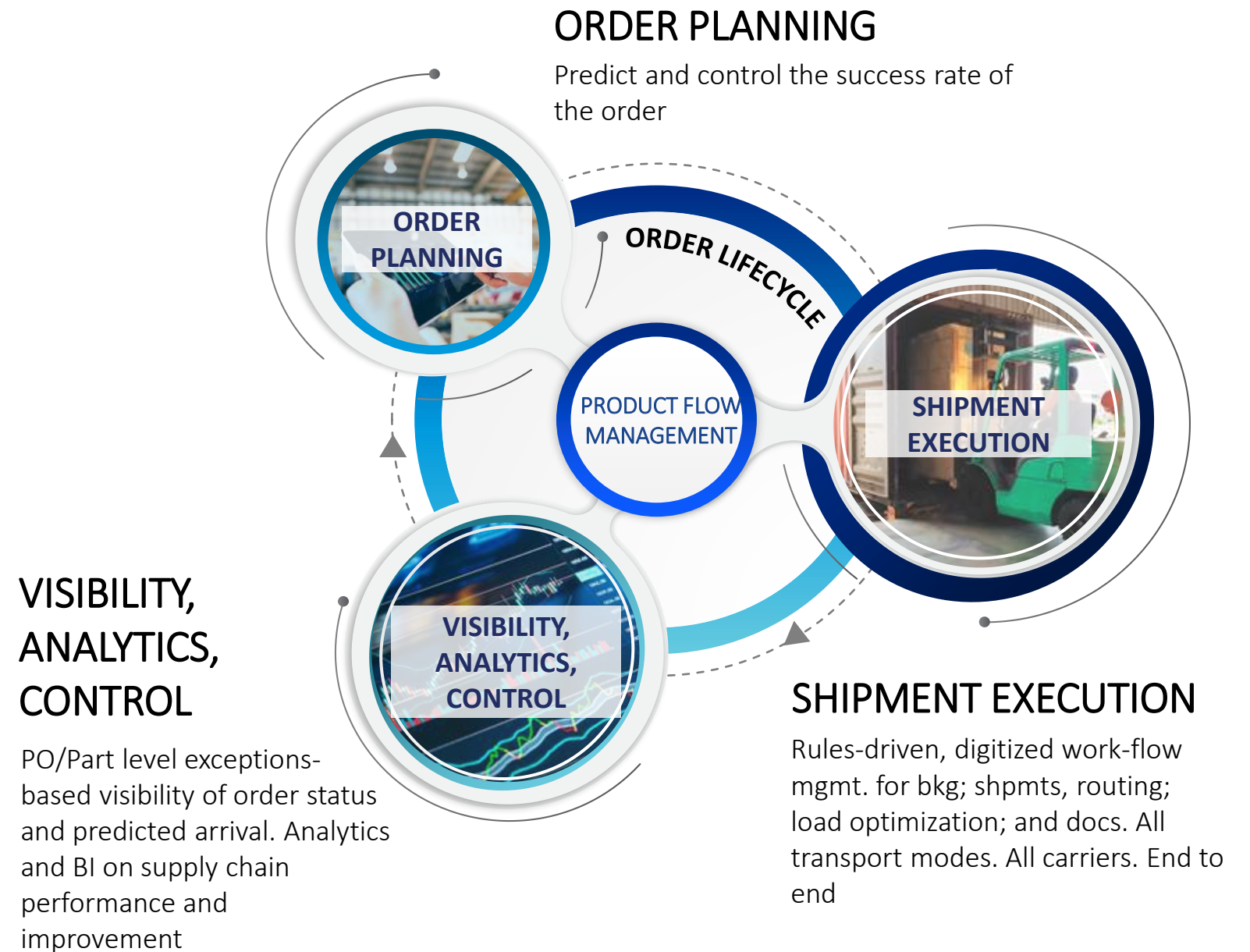


# VALUE DRIVERS

A BLEND OF PHYSICAL –  
DIGITAL CAPABILITIES

DEEP LOCAL AND  
GLOBAL LOGISTICS  
EXPERTISE &  
CONTINUOUS  
INVESTMENTS IN  
TECHNOLOGY  
INNOVATION

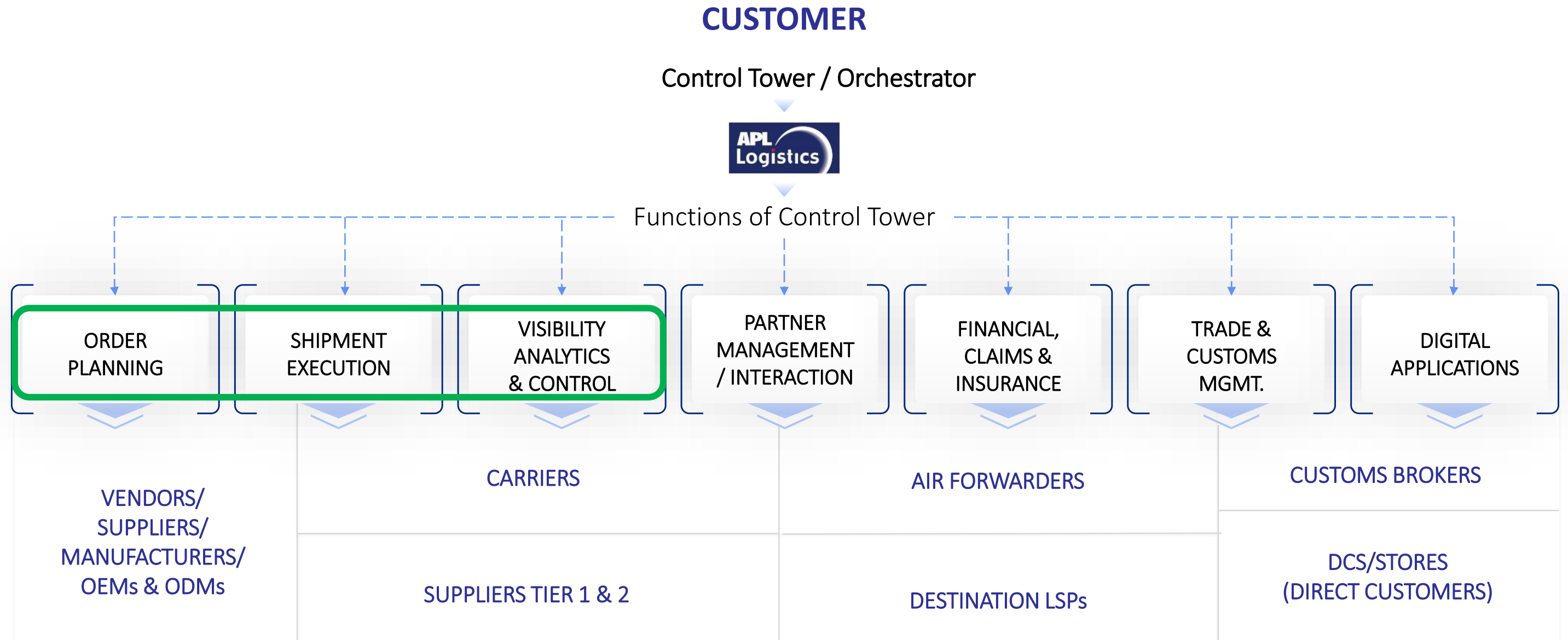
## THREE CATEGORIES OF CAPABILITIES





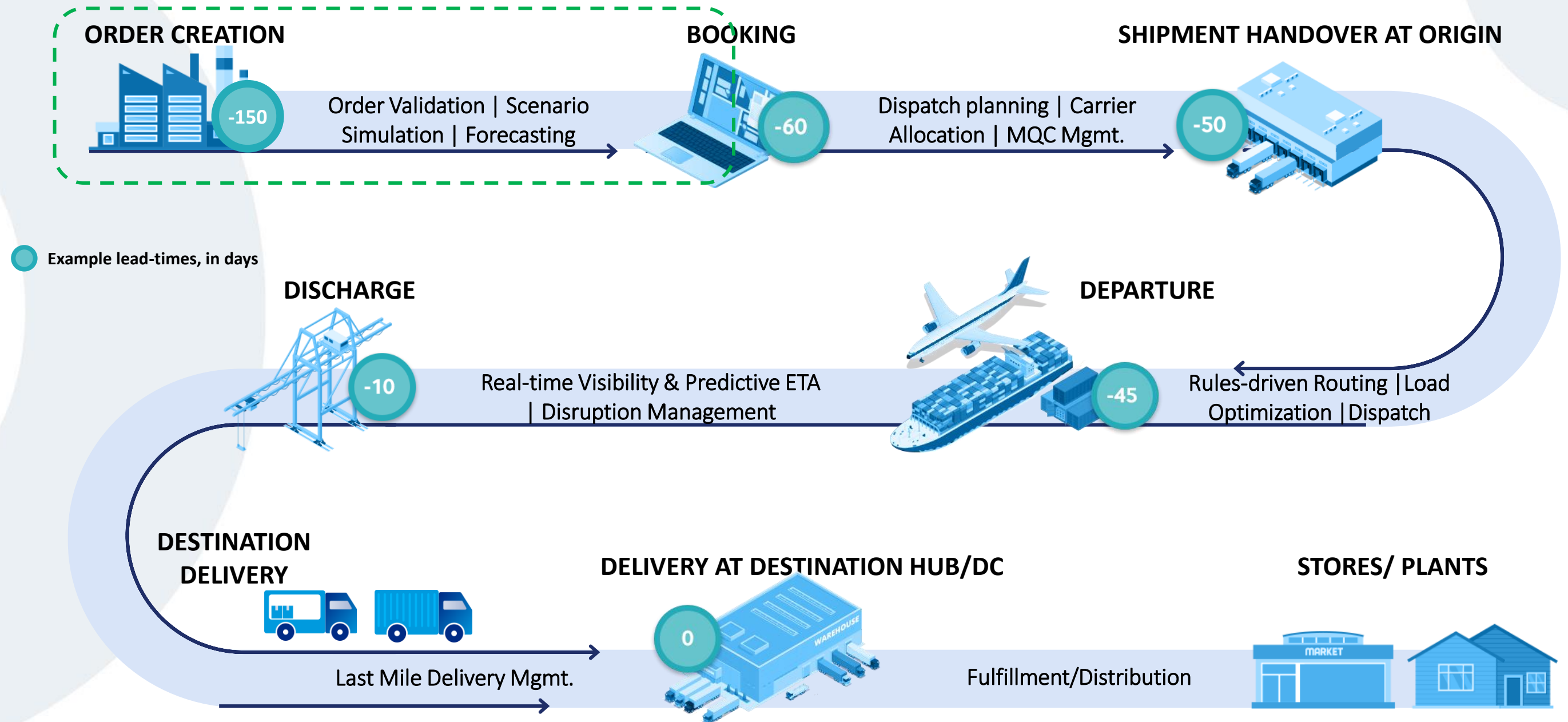
# NEUTRAL SUPPLY CHAIN PARTNER

WE WORK AS AN INTEGRATED SUPPLY CHAIN UNIT OF OUR CUSTOMER, LEVERAGING OUR NEUTRAL POSITION, OUR PEOPLE'S VAST EXPERIENCE AND OUR TECHNOLOGY TO DRIVE SUSTAINABLE VALUE IN YOUR BUSINESS



# ORDER LIFECYCLE MANAGEMENT

CONTROL TOWER FEATURES ENABLING ADVANCED PLANNING AND EXECUTION ACROSS THE ORDER LIFECYCLE





# ENGAGEMENT EARLY IN THE ORDER PLANNING PROCESS

- Many supply chain inefficiencies can be resolved through engagement in the order planning aspect of the origin process
- Typically, we receive purchase orders from customers weeks before products ship from production origins...
- ...where planning adjustments ARE possible and CAN significantly improve the basis on which we execute the physical move of products

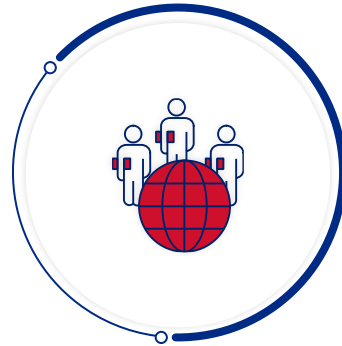
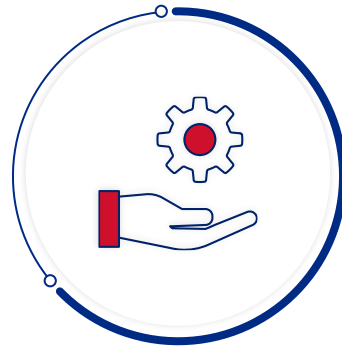


# WHY PURCHASE ORDER PLANNING

## LATE

1 billion items/est. **sales value of 20 billion \$** were doomed to miss the **projected arrival** at destination

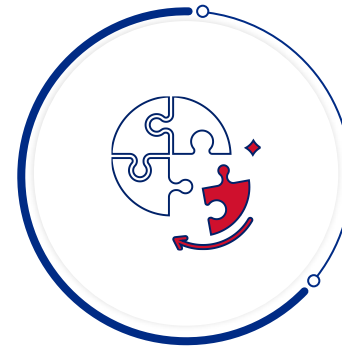
Late arrival at POS very often forces companies to **reduce the retail sales price**



## EARLY

3 months outlook:  
**15% set to arrive** at destination  
**+4 weeks** before the requested  
In DC date

500k pallet positions  
Est. **product value 5 billion \$** –  
blocking **working capital**



Of the 8 million POs we processed, approx. 10% were *doomed to fail* at the time those orders were created



# ADVANCED ORDER PLANNING

## OrderPilot

Improve the **success**  
rate of your  
purchase orders

Digital Twin | Virtual environment enabling customers to

- **Validate** purchase order planning at an early point before they execute the physical flow of products
- **Quantify** the financial and emission impact of the planning
- **Simulate** alternative plans to improve **on-time** availability, supply chain cost and emissions



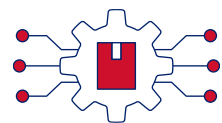


# Leveraging Order Management Solutions in support of the Vietnam Economic Development Plan





# LEVERAGING ORDER MANAGEMENT TO ADDRESS CRITICAL LOGISTICS CHALLENGES



## Materials import planning

Raw material import management: Materials consolidation, Mode optimization, Data capture, visibility enhancement, enhance collaboration and cost effectiveness.



## Optimize domestic trucking for production

Drayage trucking with reuse of imported containers, improved backlogs, enhanced visibility and high productivity.



## Reliable and effective export to US

Reliable and cost-effective export to US with real-time visibility, planning enabler, PO & loading optimized.

Control Tower



# ELIMINATING LATE ARRIVALS OF MATERIALS FROM CHINA, 25% CUT IN LOGISTICS COST



## APL Logistics Solutions



## Benefits

### 1. Physical flow features:

Consolidation of Supplier shipments |  
Transport mode optimization |  
Bonded storage for market-testing products or re-export;

### 2. Information flow features:

Integrated Shipment visibility |  
Shipment optimization based on demands | Compliance of hundreds of Chinese suppliers to shipment rules

### 3. Documents flow features:

Single Transport document | Full stack customs clearance at both sides of borders; ownership transferring in bonded warehouse, C/O apply

- Reduction of **Logistics cost up to 25%**
- Reduction of **lead time by 3 days**; ship anytime regardless of port congestion and marine mode uncertainty;
- **Real-time visibility** to shipments level, inventory level;
- Tax and Duty deferment : Estimated **saving 10% of total cost**
- Ensure DIFOT from factories.

#### Cross-border Trucking mode

**Route:** Shanghai/Shenzhen/Hongkong/Nanning, CN – Bac Ninh/ Ha Noi/ Hai Phong, VN

**Distance:** 1,100 km (Shenzhen – Bac Ninh)

**Transport time:** 36 hours

**Customs point:** Pingxiang <> Huu Nghi

**Frequency:** Daily for FCL and 2-3 trips per week for LTL

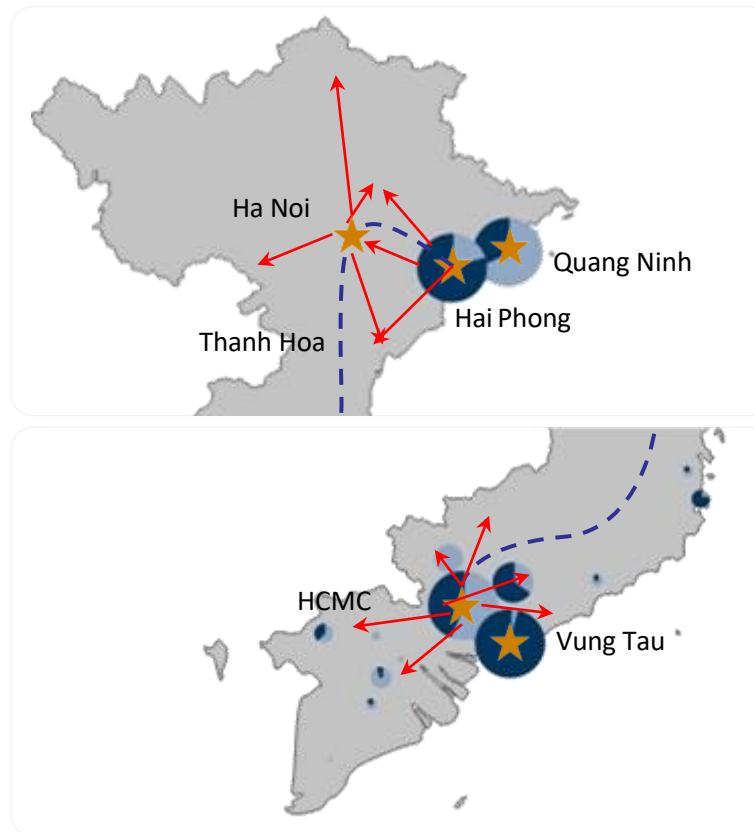




# REDUCING 50% OF YOUR TRUCKING MANAGEMENT WORKING HOURS AND 40% OF LOGISTICS COST

## Legend:

- International weight
- Domestic weight
- Drayage/ 1<sup>st</sup> mile trucking
- Key port cities
- Long haulage



Source: GSO statistics



## APL Logistics Solutions



## Benefits

### 1. Physical flow features:

Reuse imported containers for export or last mile delivery shipments | Enjoy APLL economies of scale to improve backlogs | Sharing with compatible customers to maximize trucks and containers loads | Increase delivery frequency | Milk Run + Consolidation Hub

### 2. Order management Features

Improve Loading plan | Enhance visibility and planning by our TMS | Consolidate domestic trucking under 1 orchestration center

### 3. Documents flow features:

Customs clearance combine with drayage trucking under one orchestration center.

### Logistics Cost Reduction

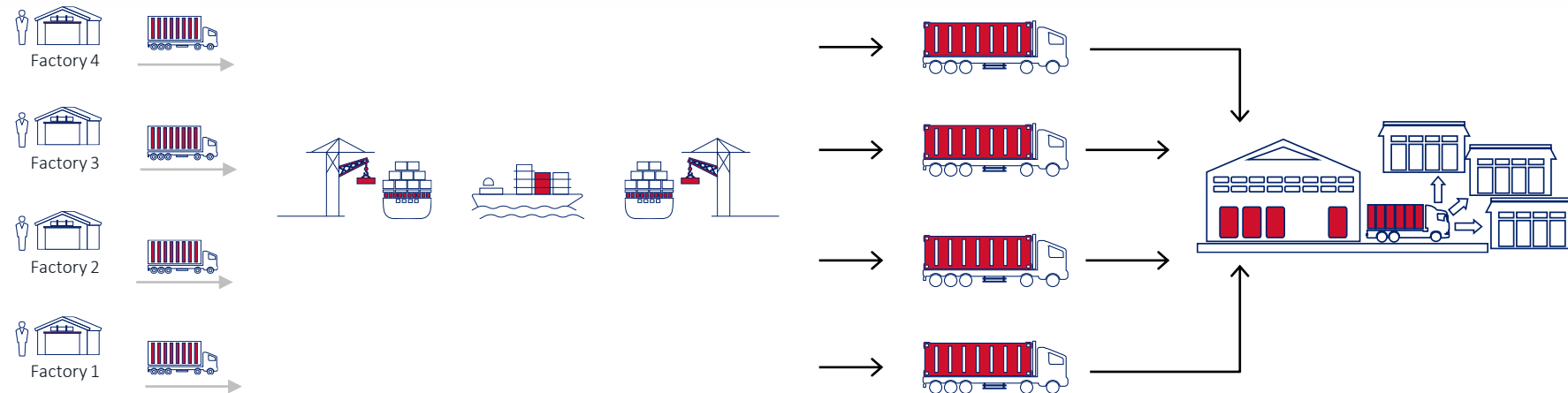
- Reduce drayage trucking cost up to 40%;
- Reduce long haulage and delivery trucking cost up to 20%;
- Reduce equipment charges by 50%;

### Enhanced visibility and planning;

- Optimize loading to save total trucking cost up to 5%;
- Increased capacity to manage high volume of cargo at peak times

# 40% LOGISTICS COST SAVINGS, CUTTING 30% DOOR DELIVERY TIME WHILE ENABLE REAL-TIME VISIBILITY

## Current Model



## APL Logistics Solutions

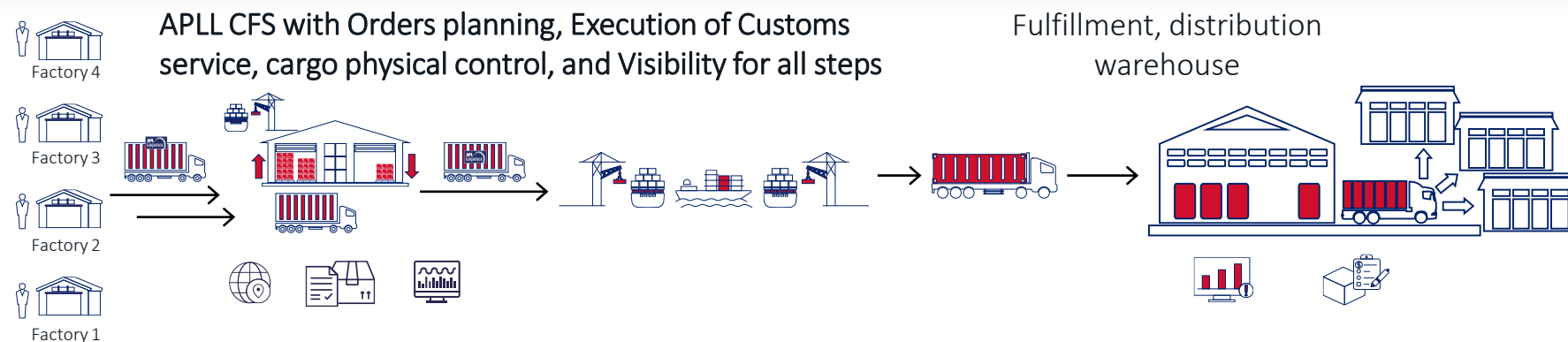
### 1. Physical flow features:

Space, equipment guaranteed, definite date delivery | Finished goods consolidation | Cross-border Trucking to China before exporting to USWC | Combined with Domestic trucking optimization solutions

### 2. Order Management features:

Loading plan optimization to reduce 20' and increase usage of 40'HC | PO optimization to reduce destination footprint | Orders validation to ensure DIFOT; | Augmented planning simulation and enhanced visibility via EDI system | Carriers' performance evaluation given neutrality

## Order Management for Exports



## Benefits

- **Reduce up to 23% logistics cost** via saving storage and D&D in US;
- **30% Faster** Door delivery time;
- Enhanced/ Real-time **Visibility**;
- Multimode Transport Option;
- **Reduce up to 40% cost** via finished goods consolidation



## IN CONCLUSION...

“Our country has never had the potential, position and international prestige as it does today

– Mr. Nguyen Phu Trong  
General Secretary of the  
Communist Party of Vietnam”

- Vietnam is **benefitting from China+1 wave**. Lego, ... are bright examples of a splendid **manufacturing growth** in Vietnam.
- Manufacturing growth is fueling **logistics needs**. Operation challenges require **new solutions plus technology** to support such growth.
- Currently, Vietnam is a prominent destination for supply chain relocation, but it is already approaching the upper limits of the capacity transfer (Vietnam's 2.6% unemployment rate in 2022 is less than half of Asia Pacific's 5.7%). This is creating opportunities for other Southeast Asian countries to facilitate investment through infrastructure developments and policymaking that makes it easier to conduct cross-border business.
- To build resilience and sustainable supply chain requires businesses to **select the right partner to work with**. A **reliable partner who can bring in the right solutions**. Not only to **strengthen the supply chain** but also to **reduce unnecessary cost**.

# APL Logistics Supply Chain Symposium:

## Guest Speakers

**ALEXER YAP**

*Managing Director (Vietnam, Cambodia, Myanmar), APL Logistics*

**TRANG KIM NGUYEN**

*Logistics Manager, Fashion Garments*

**LEE BUMIN**

*SEHC Production Forwarding Part Leader, Samsung*

**PHUONG VU DANG**

*Country Logistic Head VN&KH, Schneider Electric*

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# APL Logistics Supply Chain Symposium:

## Survey



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# THANK YOU!



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Scottsdale, Arizona 85260 United States  
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### **APL Logistics (Europe)**

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20095, Hamburg, Germany  
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