

Q&A WITH MARKUS MEISSNER

DENICE CABEL sat down with **MARKUS MEISSNER**, Global CEO of AEB, a provider of IT solutions for global trade and logistics worldwide, to discuss technology trends in end-to-end SCM IT solutions and the latest developments in his company.



What was your career path to becoming the global CEO of AEB?

I studied engineering in Germany, and spent almost my entire professional life at AEB, where I joined 20 years ago. My career path during that time period included various different positions: I started out as a consultant for our solutions and applications, and then moved to the area of product development and project management. I managed our first international project over here in Asia in 1996 – in Singapore and Malaysia. In 2001, I initiated the founding of AEB Asia Pacific Pte Ltd in Singapore and in 2011, I became the direct successor of our founder.

How much has changed since you have been at the helm of the company?

There is not much difference because at AEB, we work as a team. Our people in the management team have worked together for a very long time. I was well prepared for this role even before I was officially appointed as global CEO, and I was more or less acting in that capacity for many years. Generally, at AEB, the management responsibilities are also well distributed between a few senior members of staff in the company.

Where is your R&D located?

Our R&D base is primarily located in Germany. We think that this gives us a unique selling point: “Made in Germany, Delivered Locally”.

Internet of Things (IoT) is said to impact how supply chains operate. However, current uses of IoT are fairly limited in Asia. What do you think are the barriers to adoption?

We all know that in terms of technology

and automation adoption, European manufacturers are ahead of Asia. IoT is a very hot topic in Germany, for example. We call it Industry 4.0 – the fourth industrial revolution, where all the machines start talking to each other, leading to the next level of integrated manufacturing. Logistics and manufacturing will become much more aligned and integrated than it was in the past, and this will present challenges for all industry sectors.

As for adoption barriers, in the past Asian companies were hesitant towards investing in automation and IT technology, as low-level labour costs presented more affordable options. I can see this is changing now, especially in Singapore where the government has introduced programmes to increase efficiency and achieve higher levels of automation in organisations. Moving forward with IoT, there is still a lot to do and much to be invented. We will start to see new technologies in the next 10 years that will introduce major changes in this area.

What common challenges do manufacturers face when it comes to ensuring an efficient and secure supply chain?

[The challenges are] changing business dynamics, shortened product life cycles, economic swings, on-time deliveries, and all the topics surrounding supply chain disruptions, from disasters to political instability. Today's supply chains consist of many cross-border partnerships that need to be managed, which adds major complexities to the overall process. Another challenge is the lack of resources and to some extent lack of skilled and experienced people. Last but not least, regulatory and environmental compliance also present a number of challenges to

the industry. You can only overcome these challenges if you have implemented the right procedures and technology to manage these complex and evermore expanding supply chains.

What are the critical points that should be part of every company's risk management programme?

A proper risk management programme starts with identifying risks. You have to get a clear picture of your value chain in terms of what countries or locations are involved, and which partners, including 3rd and 4th tier suppliers and providers. Next, you have to assess the probabilities and potential impacts based on data analytics including those of partners' orbits. It helps to introduce something like risk indicator score cards to be clear about the frequency of incidents, how likely it is to detect them early, the seriousness of consequences, and so on. All these steps are part of the assessment of your supply chain and identifying the involved risks for all areas.

Once this is done, you have to introduce measures and back-up plans. Proper inventory management is essential, as well as applying principles to all your processes. When it comes to IT, introducing visibility tools and event management solutions forms the backbone of your risk management.

Let's say for example, you have to re-evaluate your strategies of sourcing. Do you have multiple suppliers or do multi-sourcing? What kind of challenges do you face in your supply chain or organisation? Are you sourcing in a consistent, high quality and stable manner? You may have to introduce partner certification programmes

AEB UNVEILS LATEST VERSION OF ASSIST4

AEB (Asia Pacific) has commenced roll-out of the latest version of ASSIST4 Compliance & Risk Management solution this November. Compared to the previous version, ASSIST4 Compliance & Risk Management version 4.0 offers better security, enhanced functionality and intuitive user interface. Compliance & Risk Management is part of AEB's ASSIST4 software suite, which not only automates the restricted party screening process but also ensures that exporters comply with all export bans and licensing requirements.

Version 4.0 offers users an improved interface and features that simplify the work of those responsible for ensuring

export control compliance. The new widgets enable quick and direct access to the name and file check features. The software's main screens have also been redesigned for a more intuitive user experience.

Improved functionality:

- Access to more restricted party lists
- User tips: How relevant is a particular restricted party list? The software provides tips to help users choose which lists to screen against and how to interpret matches.
- Direct access to legislation: Restricted parties contain direct links to the relevant legislation.
- New white list feature: White lists prevent unnecessary matches by filtering

out official sanctions list entries that do not apply.

- Greater clarity in export controls: The software highlights which export law is applicable and which national authority has jurisdiction.
- Customised rules for global export controls: Customised rules make it possible to check against official export control regulations.

Compliance & Risk Management is continuously updated to reflect changes not only in restricted party lists, but also in export control regulations. AEB employs in-house experts to ensure that changes to legislation are immediately implemented in the software.

to better understand your partners and their resilience. All these details must be documented and controlled, and you need to initiate frequent reviews to ensure continuous improvement.

Risk mitigation strategies and back-up plans for all relevant scenarios are important, and a good communication plan needs to be in place. It is important to remember how many companies have not delivered the required service, or worsened a crisis based on lack of communication and escalation management plans to deal with disruptions. When you face a problem and have to deal with unsatisfied customers, you need a proper communications plan throughout the supply chain to avoid further damage to the brand. This is all part of the compliance and risk management programme.

What are your thoughts on Green or sustainable supply chain?

We had the hype in the area of Green logistics more than five years ago in Europe, but today, it has lost its appeal. At the time, it was what everybody wanted, and everyone followed the trend. Today, the trend has shifted to focus on achieving greater efficiency and optimal use of overall resources. This is a natural driver for companies aiming to stay competitive. Most organisations are looking to save costs and increase profitability. At the end of the day, sustainability is necessary in today's world, and cost-savings go hand in hand with being green.

What other trends do you think will affect the logistics sector?

Other than IoT and the integrated manufacturing approach we discussed, of course e-commerce remains a big trend as well, and multi-channel capabilities have become essential to keep a competitive edge. We

also see a many developments for urban logistics and hence, distribution centres are being placed around major hubs. E-commerce harbours many challenges for the logistics sector due to increasing consumer demands, same-day deliveries, return shipments, and managing perishable cargo, to name but a few.

What have been the key developments in AEB business strategy and operations over the past year?

AEB is driven by two basic strategies. First, we want to see natural development. We grow only at the pace we can afford in line with our income. As such, our growth over the last 10 years was solid and continuous, and we still stick to this proven strategy. Second, the core functionalities of our high-quality solutions are developed in Germany, and our focus is on the end-to-end supply chain approach. We might move a little bit more into the area of supply chain planning as well, in light of Big Data developments. We have a lot of data available now, and putting this data to good use also in the area of risk management has tremendous potential. Applying technologies like predictive analytics will offer new opportunities to identify risks at a very early stage. Moreover, we introduce complementary services around our portfolio. Many companies do not have the required skills and resources in-house to maintain high-quality logistics solutions, and we can offer the support they need. We always deploy the most advanced technologies and listen to our customers' and partners' needs to ensure long-term relationships.

What's important when considering a career in supply management?

Logistics is a very interesting field. A broad spectrum of skills is needed in order to

deal with all the different challenges and requirements in the various areas. We need people who have a good understanding of the business and the processes on the one hand, and a good understanding of IT and technology on the other.

Other than developing solutions for supply chains, the knowledge base of our employees is an important core value of AEB. The people we take on board will be trained for many months in an area that is new for them. People either come from the business or from the technology side, so they always have to learn about the other side to understand the big picture. This is good because there's always educational development and a chance to constantly improve or extend skills. For us, it is important that people are curious, flexible, multi-cultural, and have good communication skills. This keeps it interesting to work in the dynamic logistics sector. ■

Markus Meissner received his MSc in Electrotechnology from the University of Stuttgart. He started working as an Independent Consultant in IT based Communication Management in 1989 and joined AEB GmbH as project manager in 1995, where he held positions as Head of Product Management and Development, and Head of International Business Development. In 2001, Markus Meissner initiated the founding of AEB Asia Pacific Pte Ltd in Singapore, where he was appointed as Managing Director. Since 2003, he is also a member of the Executive Board and became the Global CEO of the company in 2011.