The Future of Logistics – Richard White CEO and Founder WTG

World Logistics Overview

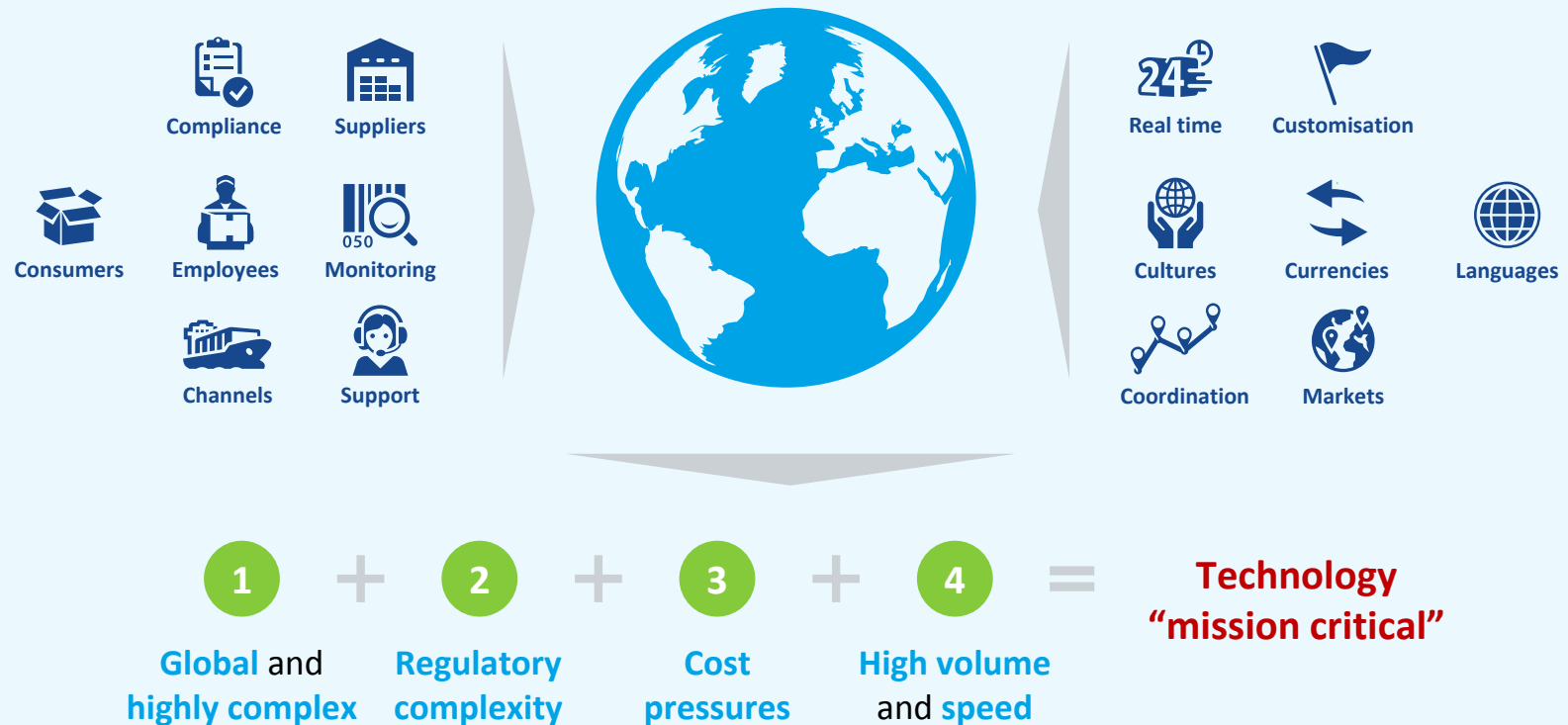WiseTech
GLOBAL

The Future of Logistics: The World – Size and Importance

1 **2014 Gross World Product (GWP) - $77.9 Trillion**

2 **Total Logistics cost is between 9% and 14% of sales**

3 **Global Transport cost ~ 5% of GWP = $3.9 Trillion**

4 **Top 25 Forwarders Revenue $212 Billion (Armstrong)**

5 **Top 12 3PLs are ONLY 5% of the Logistic Market**

WiseTech GLOBAL

The Future of Logistics: Complex, Heavily Regulated, Costly, High Volume, Time Critical

Speed and complexity of global trade flows and supply chains places **enormous pressure** on logistics providers
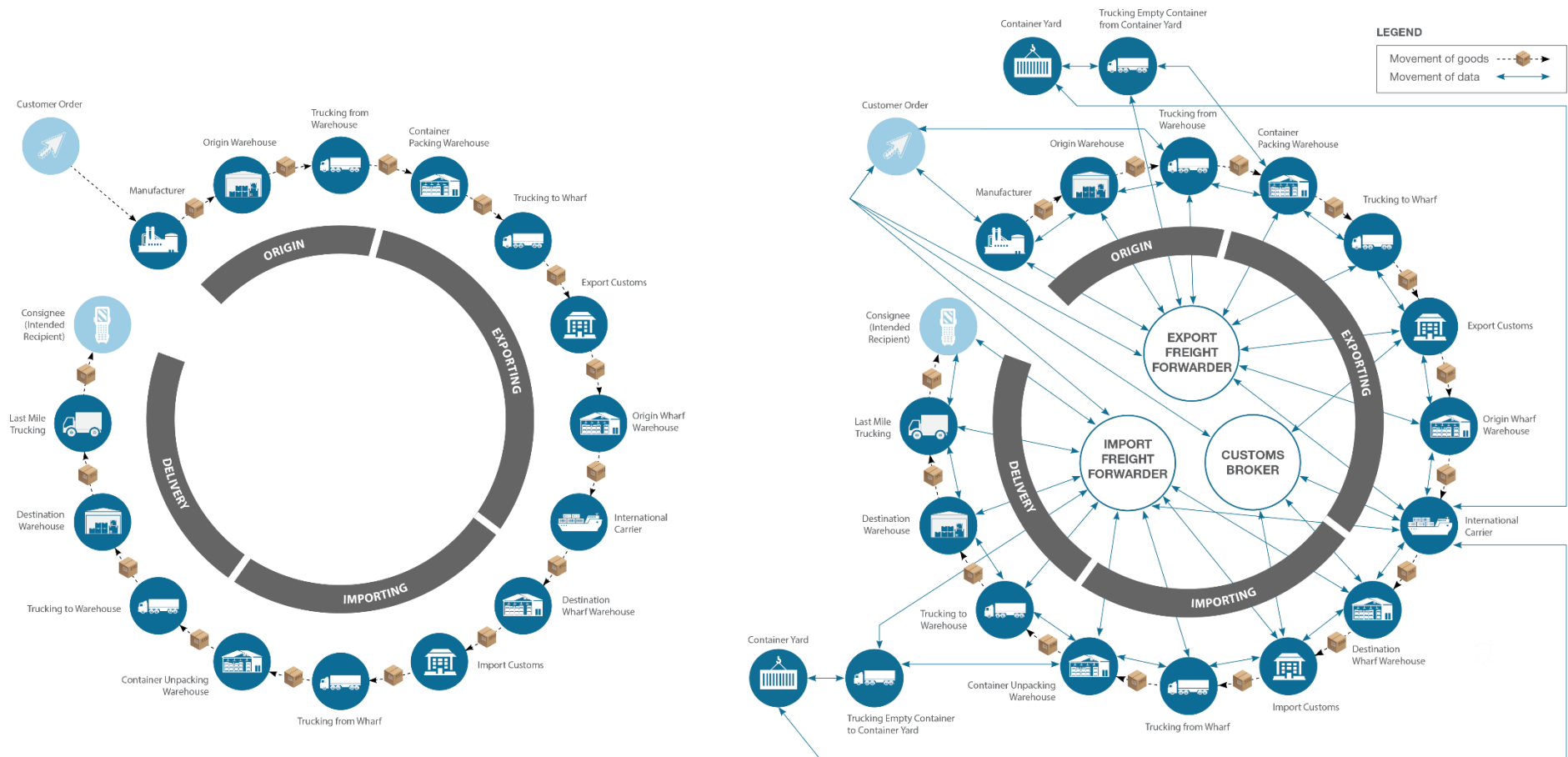
Compliance Suppliers

Consumers Employees Monitoring

Channels Support

Real time Customisation

Cultures Currencies Languages

Coordination Markets

1 + **2** + **3** + **4** = **Technology "mission critical"**

Global and **highly complex** **Regulatory complexity** **Cost pressures** **High volume** and **speed**

WiseTech GLOBAL

A myriad of logistics suppliers are needed across the supply chain.
Information moves ahead of, alongside and behind the physical goods as they move through the supply chain.
Data speed, accuracy, timeliness and quality is <u>essential (Paper is the Enemy, Folders are holding you back)</u>

WiseTech
GLOBAL

What's going on with Amazon???

WiseTech
GLOBAL

Amazon – a Disruptor, a New Wave or Business as unusual??

1 **Ability to cope with Demand Surges at peaks**

2 **Visibility of Delivery**

3 **Predictable Delivery**

4 **Lowered Cost of Delivery**

JUST BUSINESS AS USUAL – SO NOT SO UNUSUAL

WiseTech GLOBAL

The Future of Logistics: The Landscape of Competitive Strategy

1 **Competitive Strategy 1: Better Rates / Lower Costs**

2 **Competitive Strategy 2: Better Service**

3 **Competitive Strategy 3: Better Global Coverage**

4 **Competitive Strategy 4: Vertical Integration**

5 **Competitive Strategy 5: Acquisition / Consolidation**

6 **Competitive Strategy 6: Customer (Data) Integration**

7 **Competitive Strategy 7: Automation + Productivity**

WiseTech GLOBAL

The Future of Logistics: *Productivity at the Centre of Everything*

THE FUTURE: -

1 **ELIMINATE: Computers do entire Processes**

2 **AUTOMATE OUT: Work done by Others (Customer, Agent, etc)**

3 **ACCELERATE: do important work, quickly, easily, at high quality**

4 **REMOVE PAPER: Data Driven, Folder-less, Very Large Monitors**

WEAK SOLUTIONS: -

-1 **Work Staff Harder, Longer, Move work offshore (Cheap Labour)**

-2 **Add manual processes: Word/Excel/Manual/Paper Solutions**

-3 **Multiple Systems, Bolt on Technology, Best of Breed, Multi Vendor**

-4 **Rely on Legacy Systems, Aging Tech, Poor Investment in Tech**

WiseTech GLOBAL

Technology
In Logistics

WiseTech
GLOBAL

The Future of Logistics: Can Logistics companies be software developers?

RECENT EVENTS GIVE STRONG GUIDANCE TO THE FUTURE

1. **> 75% of the top 100 Freight Forwarders run aging Legacy Systems**

2. **Recent large investments in time & money by DHL, UTI have failed**

3. **Global ERP systems are very poorly suited for Logistics Vertical**

4. **Recent failures hide 10 years of significant failures, no successes**

5. **No amount of 'money/programmers/consultants' guarantee success**

5. **Major in-house builds are now very high cost, risky/career suicide**

WiseTech GLOBAL

The Future of Logistics: *Highly* Productive Software Can return 10-50x its cost

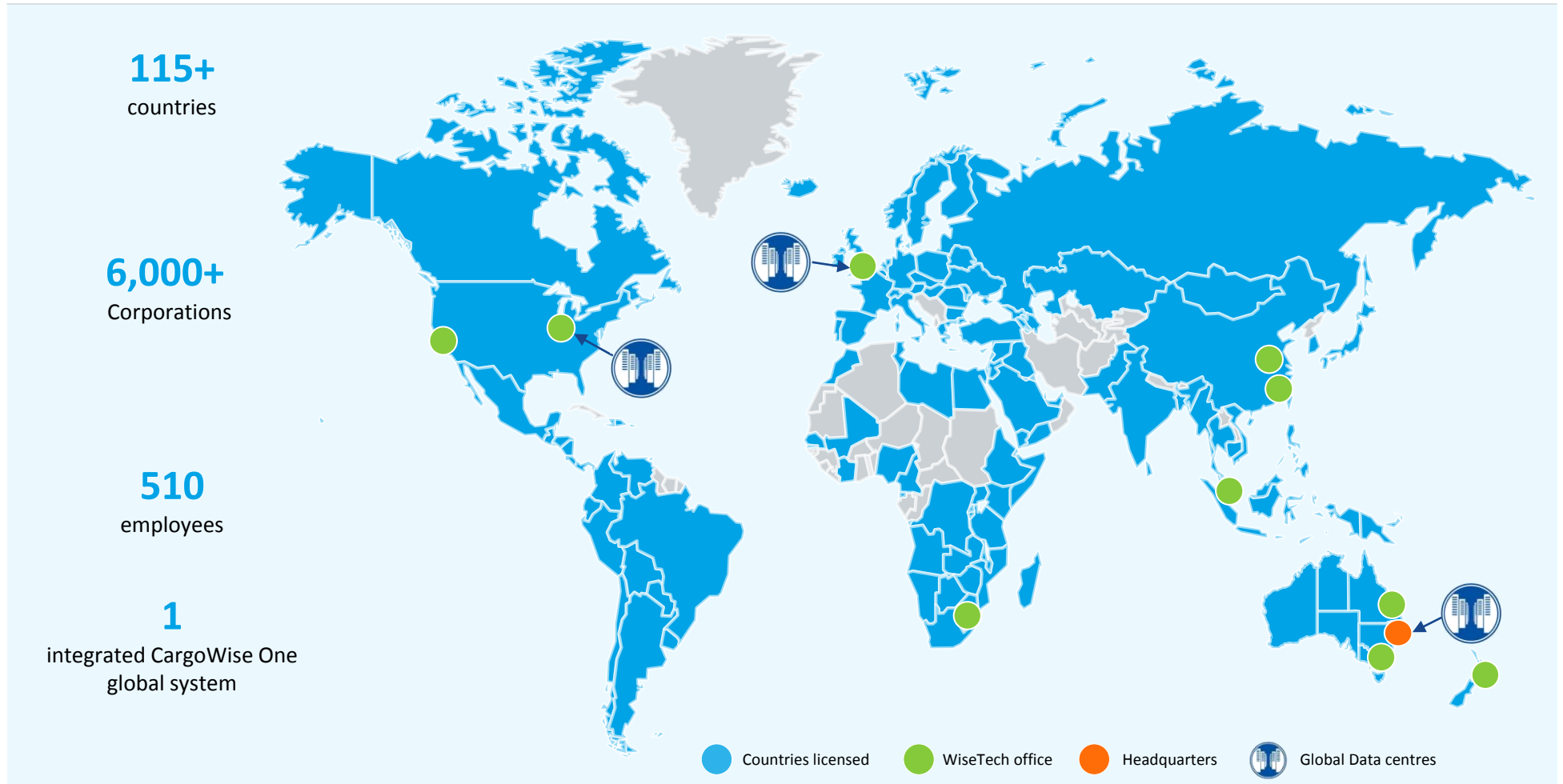## Focus on Value of Technology, not raw Cost – The ROI is very high!!

1 **Remove Risk, Cost, rekeying, rework and raise quality and simplify**

2 **Remove Multiplatform IT costs**

3 **Create high value visibility and management command & control**

4 **Dramatically reduce staff costs – Eliminate, Automate Accelerate**

5 **Decreased and simplifies Customer and Partner integration costs**

5 **Increases competitive offer without adding labour costs**

Once more: *Highly* Productive Software Can return 10-50x its cost

WiseTech GLOBAL

WiseTech Global Highlights

WiseTech
GLOBAL

A leading provider of software to the logistics services industry globally

115+ countries

6,000+ Corporations

510 employees

1 integrated CargoWise One global system

Countries licensed • WiseTech office • Headquarters • Global Data centres

WiseTech GLOBAL

13

WiseTech
GLOBAL

QUESTIONS?

WiseTech
GLOBAL