

A tendering tool for procurement in the chemical industry

# Choosing logisticians

Inviting tenders for transport orders is a particularly challenging task both for customers as well as service providers in the chemical industry. Eurochem Agro, formerly K+S Nitrogen/BASF, has a new tender tool for maritime and inland shipping transport in use.



IT is becoming ever more important in chemicals logistics.

The chemical industry has many orders to place with logistics services providers. The Eurochem Agro Group, formerly K+S Nitrogen/BASF, has the same requirements. The company predominantly sells nitrogen and phosphate fertilisers, but it is also developing the potash deposits of Volga Kaliy and Usolskiy in Russia. It operates further production sites in Belgium and Lithuania and employs more than 23,000 people worldwide.

## A platform for inviting tenders

The company also organises the supply chain of its products. In the process of the changed ownership structure of the group, logistics procurement also needed to be placed on an independent footing. Stefan Nell, the enterprise's director of supply chain management, decided to go for a web-based tender and procurement management platform. It was developed

by the provider Ocon. Due to expiring agreements, inland shipping and shortsea activities were initially high on the agenda, but FCL and FTL transport should also be covered by the new tender tool.

The challenge in designing it was to display price and quantity structures in a flexible manner, so that it would become possible to compare offers regarding different ship and batch sizes. A mere price ranking would not have been sufficient.

Having processed the third large invitation for tenders project for FCL maritime shipping and inland shipping in 2014, all overland transport is now up for new agreements in 2015. In addition to the standard awarding criteria, the focus here is on establishing a qualified database of service providers, which keeps detailed information about the options they offer, including freight prices and CO<sub>2</sub> emissions measurement. *cd*

## Marken in Shanghai

Shanghai has not lost any of its great attraction as a southern Chinese distribution location. The German pharmaceutical Marken group has set up a new logistics centre in the city in the second half of March.

In China, Marken is represented by branch offices in Hong Kong and Beijing, with its own warehouse also located in the republic's capital. The corporation's new Shanghai office is close to Hongqiao and Pudong airports. The company announced that it the move also includes measures to add temperature-controlled vehicles to its ground transportation fleet. The Chinese government has granted the firm a five-year licence to run the centre, which will focus on serving life-science clients.

## Cool growth

The volume of the pharmaceutical industry's cold chain needs is projected to grow exponentially in the coming years, according to the US trade publication *Pharmaceutical Commerce's* annual *Cold Chain 2015 Book*, due out at the end of April. The journal's analysis shows that the market may cross the USD 100 billion barrier this year, and grow to around USD 13 billion by 2019. This means it is set to grow by 44% from 2013-2019. Pharmaceutical cold chain product sales are predicted to rise by 9% a year, double the growth rate of pharmaceutical products overall (roughly 5% annually to 2019). Some individual market segments are also expected to perform well, with clinical trial activities estimated to display a compound annual growth rate of 12%. The market is expected to be particularly strong in the Asia-Pacific region, with