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Interconnect



Supply Chain

Investing in the Supply Chain to Drive Value for NZ Inc

The creation of Nexus Logistics in September, represents Ports of Auckland's second big step in its new Supply Chain Strategy. It is the outcome of the port company's commitment to invest in ways that improve the efficiency of the cargo flow and to drive value by removing waste.

Nexus Logistics is a 50/50 Joint Venture between POAL and established 4PL provider, Netlogix. From its 'collaborative NZ Supply Chain network', it will supply independent container logistics and distribution services across the country.

Nexus will in effect matchmake import and export cargo with the plethora of empty capacity that trundles up and down NZ as an expensive waste of hot and cold air! As a market, NZ is seriously challenged by waste through the ever prevalent empty capacity (empty containers and empty transport capacity) arising from the inherent geographical import/export imbalance. "There's an incredible amount of potential in the NZ Supply Chain that's not realised because of the widely acknowledged inefficiency of empty truck and container movements out of import dominant Auckland to meet the export container requirements all over NZ" observes Tony Gibson, Chief Executive of POAL. That inefficiency comes at a cost which is borne directly or indirectly, by all stakeholders in the export/import Supply Chain.

Nexus aims to tap into this hitherto wasted capacity – all those empty boxes of hot and cold air, roaming about the country looking for their export loads. It will 'broker' or sell the capacity on an open platform, through its 115 or so nominated national, intermodal transport partners utilising an optimal mix of road, rail and coastal transport capacities and services. Its customers will be all stakeholders in the Supply Chain – cargo owners – importers and exporters, freight forwarders and transport companies. "All those parties that both Netlogix and Conlinxx already work with today" adds Stephen Owles, CEO of Conlinxx, one of the two operating partners in Nexus.

The other partner is Netlogix which is run by two of New Zealand's logistics 'royalty', Chin Abeywickrama and Paul Harper both of whom have extensive experience in running NZ logistics and distribution systems for majors such as Fonterra and Carter Holt Harvey which is today a Netlogix cornerstone client. Netlogix provides 'a full suite' of freight transport services over a strong nationwide network.

POAL company Conlinxx which runs the Wiri intermodal Freight Hub (WIFH), becomes a fully owned Nexus Logistics subsidiary. It will be the Greater Auckland supplier of Nexus services and continue its management of the WIFH.

Stephen Owles, insists that Nexus Logistics will be neutral across the board. "The prime objective is to give customers more choice and to sell the services at a nationwide level. Conlinxx will supply transport and other services in the Auckland region but it doesn't negate Nexus Logistics buying alternative or additional transport capacity from others in the region. Similarly, we are port neutral and so, while POAL would ideally like to drive volume and customer choice through Auckland as export port, if the customer has a requirement elsewhere – be it Port of Lyttelton, Napier, Wellington or wherever, at a container or intermodal level, then Nexus will procure those services from specialist carriers in the area."

In his endorsement of the neutrality of the service, Netlogix' Chin Abeywickrama confirms that 'a key aspect of the Nexus Logistics model is maximising customer choice, underpinned by a strong open market principle and a commitment to operator independence".

Nexus Logistics is organised to provide the total 4PL service – the transport, the crossdock and inland port services according to Tony Gibson who describes it as 'groundbreaking'. 'With Nexus Logistics we're connecting the dots – POAL's partnership with Napier Port and Icepak in Longburn where we are opening a new Intermodal Freight Hub, the new coldstore at Wiri run by Polarcold and the crossdock facility being built at Wiri – all this combines to create an optimised and open Supply Chain".

While the 'dots' are being connected, Stephen Owles explains that Nexus Logistics can operate between the dots as well: "We will offer a single segment solution through to the entire end-to-end logistics solution – whatever the customer wants."

With 15-20 people employed in marketing, sales, business development, finance and management, Nexus is operating out of the Wiri Intermodal Freight Hub.

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