

By the close of 2020, Wen-Parker moved more than 1 billion units of PPE, including facemasks, plastic shields, gloves and syringes on direct charter flights from Asia. Photo courtesy of Wen-Parker Logistics



Lessons Learned and Industry Shifts with COVID

By John Jeter

With the coronavirus carpet-bombing the planet, the global supply chain faces an enemy logistics companies have not seen in generations—at least, not one anyone could actually see in a conventional war.

John Singleton is well-versed in conventional warfare. The retired Air Force lieutenant colonel also knows that even the most heightened combat readiness gets lost in the fog of war. “Previous plans were sent packing as reality hit with tsunami force in April,” says Singleton, who is now chairman and CEO of Wen-Parker Logistics. “You can plan ahead for battles, then the real world takes over and ingenuity becomes the key. The old ways that you typically did things are just gone.”

COVID-19’s impact in 2020 is expected to result in an estimated 6.1% decrease in the industry’s “gross value added,” Statista reported in October. The projected economic hit on logistics markets for the year ranges from nearly 1% in China to roughly 18% in Italy, Statista says.

As for the global freight-forwarding market, 2020 is expected to show a 7.5% percent

drop, “at worst,” compared with the pre-pandemic year before, the analytics firm reported.

Those numbers were published four months after Wen-Parker, with a presence in more than two dozen countries, kicked in its after-burners.

“Reconnaissance Missions”

The New York-based 3PL’s immediate battle plan included leveraging its boots on the ground locally to “evaluate realities and develop the best solution available to deliver on our partners’ goals,” Singleton

“Digital capabilities, and a sound understanding of agile processes and working methods can be a big asset when you are facing a crisis.”

-- Tom Williams, BNSF.

says.

Along with mobilizing its local talent, Wen-Parker is also using less-congested gateways with less-severe backlogs. Among those gateways (or countries) is Vietnam where 30-plus years earlier, Singleton flew reconnaissance missions 12 miles off the coast over

international waters.

These days, C-suite execs and published reports say Hanoi has become a critical ally against COVID-19.

In mid-May, Wen-Parker was the first freight forwarder to bring direct charters from Vietnam into Rickenbacker International Airport in Ohio, according to a Columbus Regional Airport Authority press release.

“Until last year, the U.S. and Vietnam did not have harmonized aviation regulations in place, and Vietnam traffic had to travel via another country,” says Bryan Schreiber, the authority’s manager of Air Cargo Business

Development.

On May 14, Atlas Air Worldwide Holdings posted on Facebook that in partnership with Wen-Parker, a 747-400F transported more than 4 million facemasks from the Vietnamese capital to New York. Atlas had leased the aircraft as part of the aviation company’s efforts to

facilitate deliveries of essential goods worldwide, says John W. Dietrich, President and CEO.

By the close of 2020, Wen-Parker moved more than 1 billion units of PPE (personal protective equipment), including facemasks, plastic shields, gloves and syringes on direct charter flights from Ho Chi Minh City, Hanoi, Thailand, China and Indonesia, Singleton says.



“The volume would be able to cover the entire population of the United States three times over,” he says. “We also moved non-PPE product demanded by a nation sheltered in place. That altered state changed the normal sourcing process.”

Moving vast quantities

of medical equipment inarguably provided business opportunities, execs say, but Singleton also points out the PPE market “brought even more chaos to a freight world impacted by the grounding of passenger aircraft.”

As needs surged, so did shipping costs. “Supply and demand is a powerful rule: driving rates to unprecedented heights during the year,” he says.

In November, Lloyd’s Loading List reported rates for all air cargo originating in Asia spiked to \$9 per kilogram (2.2 pounds). Citing a report from Flexport, a U.S. freight forwarder, a full one-way charter to the United States from China-North Asia cost as much as \$1.5 million, “with a few limited opportunities left for the November-December time period.”

Adapt Fast

Now, as Singleton and other C-suiters say, the industry has been forced to adapt to the new reality—and fast.

Geoff Muessig, Executive Vice President and Chief of Marketing Operations for PITT OHIO, put it this way: “A process-driven company that has cultivated an engaged workforce can pivot quickly to meet unexpected challenges. People, culture and processes matter whether business conditions are calm or chaotic.”

PITT Ohio, which provides supply chain solutions with LTL

and truckload services, was one of the first carriers to implement social-distancing and other protocols at time of delivery.

“Rather than share a pen while attempting to secure a receiver’s signature, our drivers were instructed to maintain 6 feet of social distance and ask and record the receiving person’s name,” Muessig says. “We executed this change, with 10,000+ shipments, in less than 24 hours.”

Muessig lauds PITT OHIO’s 3,200+ employees’ engagement and trust for their immediate embrace of mitigation mandates, resulting in fewer driver absences and higher on-time delivery.

Ralf Belusa, Chief Digital Officer at Hapag-Lloyd, mirrors this sentiment regarding how the maritime company responded to the crisis with its nearly 13,000 employees: “It is about people, their safety and their mindset to successfully navigate through stormier weather and get things implemented,” he says.

Digitization

At the same time, the pandemic has also created what Belusa calls a “tremendous push” towards digitization.

The logistics-automation market totaled nearly \$50 billion in 2018 and is projected to exceed \$96 billion in 2024, according to SupplyChainBrain, citing MarketWatch.