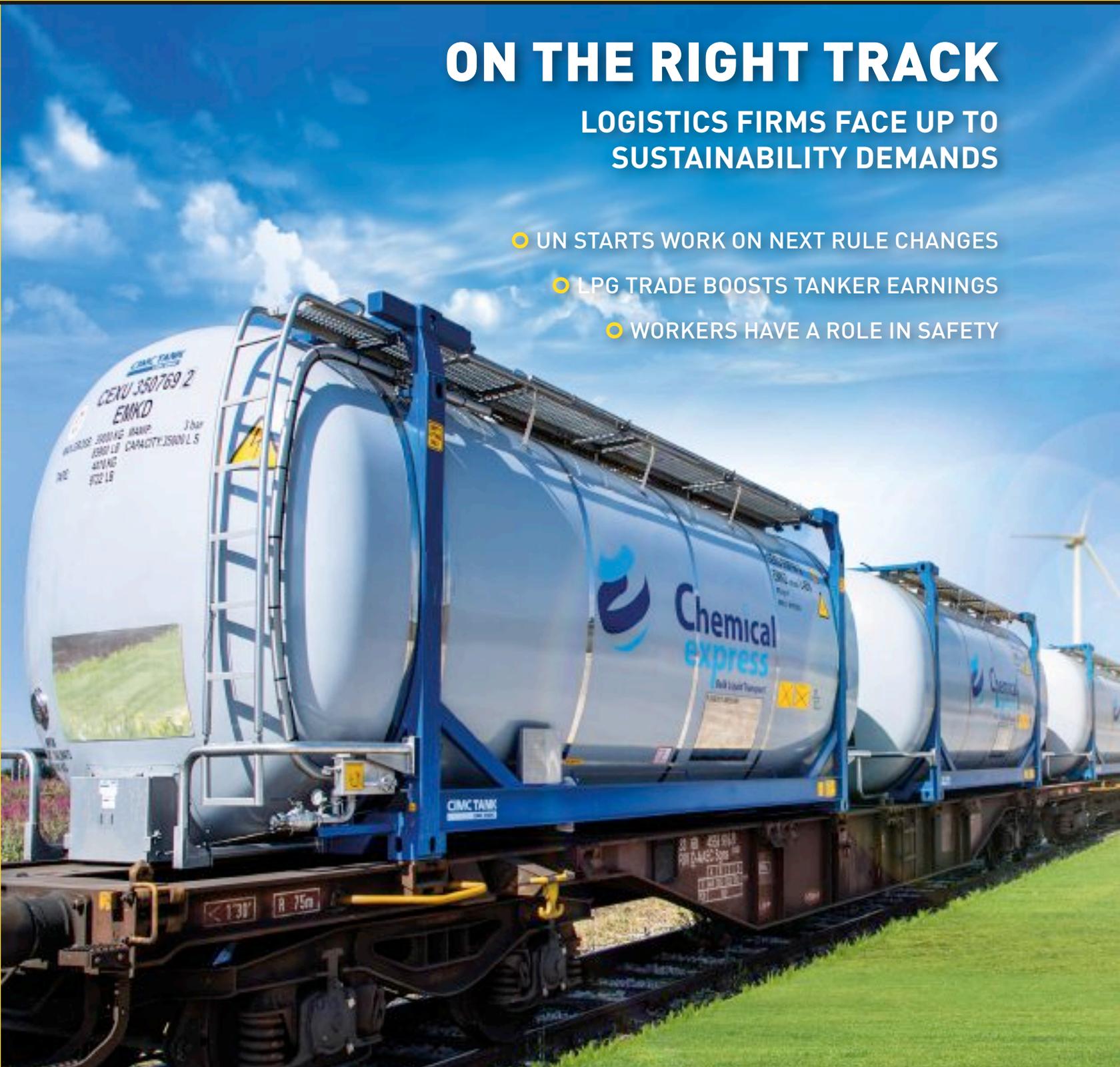


MONTHLY
DECEMBER 2019

ON THE RIGHT TRACK

LOGISTICS FIRMS FACE UP TO
SUSTAINABILITY DEMANDS

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DECADES OF DEVELOPMENT

PROFILE • CHEMICAL EXPRESS CELEBRATED ITS 40TH ANNIVERSARY THIS YEAR; HOW DID IT GET TO WHERE IT IS NOW AND WHAT DOES THE FUTURE HOLD FOR AN INTERMODAL OPERATOR IN THE DIGITAL AGE?

This month marks the end of a year of celebration for Italian chemical logistics specialist Chemical Express, as it reached the grand age of 40. Chemical Express's account manager Francesco Mattozzi spoke to HCB about the last four decades, examining where the company started and where it is heading.

"The founder of the company was Salvatore Romano," explains Mattozzi. "In 1979, when the company was established, it was a pioneering time with a completely different market, customers having different needs and – for sure – fewer requirements than now."

Fortunately for Romano, this was a period where Mobil Chimica Napoli was growing and in need of truck drivers. "He decided to invest in this particular business sector, being himself a truck driver and, most of all, because this was the maximum expansion period for Mobil Chimica Napoli refinery. Also, the market demand was still able to absorb new operators acting in chemical tanker transportation."

Chemical Express started out with just a few trucks, with fleet numbers increasing as Romano and Mobil developed their cooperation. In the coming years, Mobil would be Chemical Express's main customer in a period where transport activity was exclusively arranged by road and limited to domestic traffic.

CHANGING CIRCUMSTANCES

At the advent of the 1990s, Chemical Express found itself in unfamiliar waters and a difficult period of transition began. "Mobil Chimica closed the refinery in Napoli and suddenly we found ourselves in the space of a few months without our most important customer," says Mattozzi. "It was a very

dramatic situation that could have stopped our activity; hence, it was necessary to roll up our sleeves and start to look for new customers in the market."

Fortunately, there was some young blood in the organisation that was able to work with these developments and embrace the changes. "It was the most troubled and complicated period of the company's life, but thanks to the entry of the second generation inside the company, Salvatore's sons, it was possible to restart activity.

"The new ideas and foresight brought by the new generation, particularly Vincenzo, led to the first tank container being bought. This event opened new horizons to the company and projected it towards completely new markets and customers," says Mattozzi.

From here, Chemical Express started transporting goods in Europe. Although there were already many operators in the sector, growing demand from customers and the free circulation of goods in Europe allowed new carriers to find their own space within the market.

Mattozzi continues: "Some customers were already very interested to the intermodal solution and assisted its development, while others – and this still happens – looked at it suspiciously or just didn't want to hear about it. Furthermore, laws across different countries, thanks to the EU, started the harmonisation process (including ADR rules). Even though this process is still in progress, it allowed our transport company to move into new markets."

WHAT THE CUSTOMER WANTS

It was around this time that "there was a big change in customer requirements", Mattozzi

adds. Chemical Express found itself with customers paying more attention to product quality and traceability, meaning the company needed to adapt further.

"The growing demands for greater quality and traceability of previous transport led the company to draw up a list for the products previously transported and to have standard procedures for all cleaning stations (EFCTO rules). Even the increasingly urgent requests to carry out operations in a safe manner led to an increase in awareness of potentially dangerous situations and ensuring that all personnel are appropriately trained and equipped. Just changing mentality and understanding what the customers' requirements were made it possible to work with international companies, teaching us to be a part of the market."

Chemical Express rose above the issues of the 1990s and has seen an increase in the number of customers since 2000. This has led to a growth in fleet size and the company's workforce. More recently, in 2013, Chemical Express underwent a corporate restructuring, along with a new design concept, to make business more efficient and closer to customer requirements.

THE DIGITAL AGE

One of the biggest differences between the 20th and 21st centuries is the onset of digitisation. Computer technologies and the digital revolution have impacted many facets of chemical logistics for businesses and Chemical Express has been continuously adapting its activities to embrace new digital features, particularly in recent years.

"For some years now, the digitisation process of the industry has been increasingly pushed, and this request is now always more frequent from customers," says Mattozzi. "This arises from the need of the customer to be updated in real time about their shipments' status and to exchange information or transport orders automatically."

Chemical Express began the digitisation process some years ago, renewing its computer



DIGITISATION IS HELPING CHEMICAL EXPRESS TO UTILISE ITS INTERMODAL ASSETS MORE EFFICIENTLY

system and integrating it with the tractors' satellite control software (Transics) in order to obtain vehicle geolocation and information on driver hours and driving style, fuel consumption, and to communicate real-time data on the receipt of unloading papers and other items.

Mattozzi continues: "Many customers are asking to us to download transport orders or update the delivery status of their orders, putting the related info into some web platforms (such as Transporeon, AX4, TMS, Transwide, OTM, Elemica, Citrix). The next goal for our company will be to increase the electronic data exchange connections with our customers, as we are already doing with our suppliers. For example, we receive updated information concerning railway transport of our units directly to our computer system thanks to the connections with the Cesar online web platform used by many railway operators or with Grimaldi, with which we arrange more than 10,000 deliveries on yearly basis."

Another near-term project for Chemical Express is to equip its tank container fleet with telematics systems covering location, temperature, filling levels, pressure and other metrics. This will enable the company to improve transparency in customer

service, sharing all the necessary information regarding shipments.

"Moreover, we will intently follow developments about blockchain technologies and the Internet of Things," says Mattozzi. "We are increasingly confident that technology will revolutionise the entire transport system and, being among the first to start with this process, it will allow us to offer to our customers what they expect."

SELF-REFLECTION

"Looking back over the years, we have seen our company completely transformed from a small company to a consolidated player that offers transport service to a wide range of European customers," explains Mattozzi. "Flexibility, inventiveness and the ability to keep up with the times allows us to compete with operators that can boast bigger dimensions and history than us."

Over the next five years, Chemical Express will focus on the development of sustainable transport and expanding its fleet, with support from the ALIS (Logistic Association of Sustainable Intermodality), of which it is a founding member. Since its creation, ALIS has become the main interlocutor between institutions and infrastructure companies

to obtain the best conditions for logistics operators to offer an intermodal service tailored to their customers' requests.

"Additionally," says Mattozzi, "we will follow our strategy to bring young people closer to the work of logistics, both for drivers and employees. This will be done through training courses for recruitment, which we have been doing for some years, encouraging youth employment and attracting talents of experienced workers to our staff."

Asked to predict the next 40 years, Mattozzi says: "It is hard to imagine what will happen during the next 40 years because it is a horizon too far away. Surely, technology and digitisation will play an increasingly important role in transport and, perhaps, autonomous driving trucks will solve the problem of a lack of drivers! Jokes aside, we hope that our company will continue to develop and remain as one of the market leaders in this industry. We also imagine a future that makes everyone more aware of the need to reduce pollution and respect the environment. Hopefully, the majority of the transport will be by train and sea, reducing the number of trucks on the roads, which simultaneously reduces risks, especially for dangerous goods."

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